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NEWS SUMMARY

GENERAL BUSINESS

Iceland rejects NATO move

Iceland has formally turned down a British proposal for independent NATO observers on British frigates and Icelandic gunboats. In a sharp reaction, the Foreign Office charged that the rejection confirmed that the gunboats were indulging in a deliberate policy of remaining.

In protest at what they call the increasing aggressiveness of the Royal Navy inside the disputed fishing zone, angry Icelandic fishermen have closed the roads through two NATO radio stations operated in Iceland by the U.S. Navy.

Spanish hint

But hopes of resolving another conflict involving the U.K. rose slightly when Sr. Jose De Arellano, the Spanish Foreign Minister, who will visit London next week, indicated that restrictions on Gibraltar might be eased and for the first time acknowledge that the role of the Gibraltarians would have to be considered in any settlement. Page 6

RSPCA condemns blood sports

The RSPCA, at its council meeting in London, moved to end its long-term internal controversy on blood sports by officially condemning fox hunting, stag hunting and coursing. The society is to set up an inquiry into all aspects of angling.

Land Ahoy!

Patriarch Trophy for the fastest sail trip from London to Sydney and back awaited the 16-man crew of Great Britain II as the yacht sailed the final miles of the FT Clipper Race to the finish off Dover, to achieve a double record. Back Page

Iraq offer denied

Mr. Gough Whitlam, Australian Labour Party leader, has denied newspaper charges that he discussed a gift of A\$500,000 to help fight his unsuccessful election campaign last year with Iraq's governing Ba'ath party. Page 5

Church speaks out

Dr. Donald Coggan, Archbishop of Canterbury, told the General Synod in London that it was time the Church of England registered its voice against the "obscenity" of company directors getting large golden handshakes for early retirement, when workers received only a few hundred pounds' compensation.

Centre's hold

Two French centre parties, prodded by President Giscard d'Estaing, who is anxious to reduce his dependence on the Gaullists, are preparing to merge so that they can resist the growing popularity of the Left wing. Page 6

Grim substitute

The Canadian Government has introduced legislation to abolish capital punishment and replace it with mandatory minimum 25-year prison sentences with almost no hope of parole. Page 4

People and places

Mrs. Margaret Thatcher, Opposition Leader, was said to be "nervously amused" by reports that Mrs. Thatcher was to replace her as a witch riding a cold war broomstick.

Coverity's suicides more than doubled last year, partly because of Chrysler's industrial problems, according to the Samaritans.

Influenza deaths in England and Wales in the week to last Friday reached 762, compared with 259 in the previous week.

Mr. Selwyn Lloyd, former Speaker of the House of Commons, hopes to publish a book about the Speakership in October. Commons TV plea. Page 24

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

Rank Org "A"	162 + 8	Barlow Rand	178 - 5
Sharnia Ware	97 + 4	Standard Chartered	125 - 10
TKC	150 - 15	Woolworth (P.W.)	75 - 3
Thorn Elect.	266 + 10	Shell Transport	386 - 4
Wallis (F.J.)	86 + 5	Cons Gold Flds. Aust.	225 - 15
Whitman Reeve Anzel	80 + 6	RTZ	192 - 10
Woodhead (J.)	107 + 3	Union Grpn	315 - 10
Ultramar	190 + 5	Union Plata	98 - 9
Anglo American	294 + 7		
Libanon	500 + 25		
Vaal Reef	1164 + 1		

BOC Intl.	64 + 3	FALLS	
Burton Group	73 + 5	Barlow Rand	178 - 5
Clark	70 + 4	Standard Chartered	125 - 10
Greene French	22 + 8	Woolworth (P.W.)	75 - 3
Div. Intl.	130 + 4	Shell Transport	386 - 4
Fluoridre	51 - 8	Cons Gold Flds. Aust.	225 - 15
Gillett Bros.	228 + 6	RTZ	192 - 10
GKN	320 + 6	Union Grpn	315 - 10
Hoffmann (S.)	102 + 4	Union Plata	98 - 9
HK and Shanghai	355 + 10		
Intl. Computers	130 + 5		
Jardine Matheson	427 - 12		
Jardine Secs.	142 + 6		
Lee Refrigeration	94 - 4		
Martin Newswatch	136 + 6		
Shoe IR	40 + 4		
Sothernair	154 - 6		
Royal Elect.	248 + 8		

Equipment delays seen as threat to defence strategy

BY MALCOLM RUTHERFORD

Some of Britain's major defence equipment programmes, which have survived successive defence reviews, have fallen so far behind schedule and are becoming so expensive that the strategy on which they are based could be set at risk, according to the latest report of the Defence and External Affairs sub-committee of the Expenditure Committee, published yesterday.

The report notes that the first of the anti-submarine cruisers—the Royal Navy's biggest single programme—was still as far from entering service in July 1975 as in January 1974, and quotes evidence from the Ministry of Defence that the operational date could slip still further.

It is also deeply sceptical about the prospects for the British air defence version of the Anglo-German multi-role combat aircraft (MRCA) and suggests that it might be better to buy American instead.

The slippage in the cruiser programme is attributed to "the difficult labour situation" in the Vickers yard at Barrow where the first of the cruisers, HMS Invincible, is being built.

The Ministry of Defence told the committee there had been an extensive drift of the work force from Barrow to the Continent and to the North Sea oil rigs, resulting in a big net manpower loss.

The order for the second of the three anti-submarine cruisers will now go to Swan Hunter, the only other British company capable of building it, and the Ministry notes that its lack of experience in this field could well lead to further delays.

The price of an anti-submarine cruiser is understood to be more than £80m.

Rhodesia security forces kill 24 guerillas

BY TONY HAWKINS

TWENTY-FOUR guerillas were killed yesterday in fighting along the Rhodesian-Mozambique border, according to a Rhodesian security forces communiqué which strongly implied that Rhodesian forces had crossed over into Mozambique. One white soldier was killed and four others wounded.

The communiqué said that during the clashes and subsequent follow-up "hot pursuit operations," large quantities of arms were destroyed or seized.

The reference to "hot pursuit" is taken here to mean that Rhodesian troops went over the country's eastern border into Mozambique.

This follows a statement earlier this week in which the government described as "a notable feature" of incidents on the border the fact that guerillas had returned to Mozambique after conducting forays into Rhodesia. Since Mr. Ian Smith, the Rhodesian Prime Minister, warned white Rhodesians of an intensified border war, four members of the security forces and 59 guerillas have been killed.

Meanwhile, representatives of Bishop Muzorewa's African National Council have said they will not contact the British envoy, Lord Greenhill, due to arrive here in the early hours of tomorrow.

Labour Left-wing revolt foiled

BY RICHARD EVANS, LOBBY CORRESPONDENT

A LEFT-WING attempt to force an emergency Labour Party conference on unemployment and the economic situation was rebuffed yesterday by an alliance of moderate Ministers and trade union leaders.

The Left had come to the crucial meeting of the party's National Executive Committee confident that they would achieve the special party conference in April and also pass a fiercely critical motion accusing Ministers of breaking faith with the party's manifesto policy.

In the event, they gravely underestimated the strength of support that remains for the Government within the trade union movement and they sustained a series of humiliating tactical defeats. The call for the special conference was rejected by 16 votes to 11.

Later at a meeting of the Parliamentary Labour Party Mr. Denis Healey, Chancellor of the Exchequer, rounded on his Left-wing critics and accused them of talking "nonsense" over the Government's projected public expenditure cuts.

Senior Ministers were clearly relieved at the outcome of the unusually long NEC meeting. A special conference would have been a grave embarrassment, as it would have highlighted party divisions on unemployment, projected cuts in public expenditure, and the lack of investment in manufacturing industry.

Industrial recovery seen in Germany

BY NICHOLAS COLCHESTER

BONN, Feb. 25.

A BROAD-BASED industrial recovery in West Germany, led by solid demand for consumer goods and supported by rising export expectations in both light and heavy industry, is the unequivocal conclusion of the latest survey by the IFO Institute of business opinion.

It reports no suspicion that the whole development is a flash in the pan.

The "IFO test" has long had a reputation for accuracy in its feel for coming developments in the German economy and though once, in 1975, it took a line of false optimism, the latest report for February 1976, is the best evidence of an economic upturn produced to date.

The consumer goods sector of manufacturing industry is leading the recovery, powered, in turn, by the continued resurgence in the motor-car industry. The use of capacity among the motor companies was 91 per cent in January and their manufacturers equate the business climate to that of summer, 1973, just before the boom of the early seventies collapsed.

The consumer goods sector in general is now reporting shortages of stock with increasing frequency and much of the recent rise in confidence has been due to a clearly positive reassessment of the industry's export chances.

Despite a rather quiet month for the retail trade in January, retailers themselves remain confident. In an extensive analysis of the retail sector, IFO suggests that German retail sales will rise by 8 per cent in value and 3 per cent in volume in 1976, after rising 9 per cent in value and 2.4 per cent in volume in 1975.

The shadow in the picture remains the situation in the capital goods industry. German manufacturing industry has yet to upgrade its depressed investment plans for 1976.

Yet, though use of capacity in the heavy electrical industry sank in January to a low of 72.5 per cent, there is a feeling throughout the sector that things will get better. This feeling owes a lot to export expectations.

In its summary of the economic situation the IFO Institute concludes: "The intensity of the emerging recovery in various sectors of industry and the rapid spread of stimulative forces across the sectors, promise a marked rise in industrial production above the level of 1975. This rise should be of the order of between 5 and 6 per cent, after a fall last year of 7.5 per cent."

Ford set for hard battle with Reagan

BY JUREK MARTIN, U.S. EDITOR MANCHESTER, N.H., Feb. 25.

BOTH PRESIDENT FORD and his challenger for the Republican nomination, Ronald Reagan, claimed "victories" in yesterday's first primary election in New Hampshire, in which Mr. Ford barely defeated his conservative challenger by a 51 to 49 per cent margin.

The inconclusive result of the Republican contest suggests that the President will have a tough time fighting off Mr. Reagan in the series of the primaries ahead.

Had Mr. Ford been an elected incumbent, the New Hampshire result would have been seen as a major defeat, but the White House today, with predictable optimism, said Mr. Ford thought his slim victory a "great springboard" for the forthcoming campaigns.

This statement was tinged with relief since, for much of yesterday evening, Mr. Ford was behind in the popular count, with his advisers here visibly worried at the consequences of an actual defeat at Mr. Reagan's hands.

However, late returns reversed the position and also overcame a more decisive advantage. The President enjoyed in the current delegate selection contest which he eventually won by 10 delegates to two.

Mr. Reagan, former Governor of California, for his part, told an enthusiastic group of his supporters last night that his target had always been to get 40 per cent of the popular vote in order to remain a valid candidate. He said the result far exceeded our "expectations," though this may contain some hyperbole, since independent observers had suggested he might actually win here.

On the Democratic side, Mr. Jimmy Carter, former Governor of Georgia, established himself as the front-runner by scoring 30 per cent of the vote in a can. Presidential nomination, crowded field. He was followed by Congressman Morris Udall, from Arizona, with 24 per cent, Senator Birch Bayh, Indiana, 16 per cent, Mr. Fred Harris, Oklahoma, 11 per cent, and Mr. Sargent Shriver, the vice-presidential candidate four years ago, with 9 per cent; the balance of 10 per cent was scattered around a dozen others.

Mr. Reagan had campaigned very hard, spending the best part of three weeks here, compared with two fleeting campaign trips by Mr. Ford. However, the President's organization had saturated the State's Republicans with telephone calls and literature and a last-minute media blitz featuring Mrs. Ford and Elliott Richardson, now Secretary of Commerce. The size of the Republican vote, about 105,000, probably reflects this; although under the 1972 turnout, it was much higher than the Ford camp had feared it would be.

The two next contests in Massachusetts and Vermont six days from now, in races which Mr. Reagan has largely conceded. But the primaries in Florida on March 9 and Illinois a week afterwards, now appear as critical confrontations.

The Democratic race confirmed Mr. Carter's burgeoning candidacy and probably weeded out at least two of the liberals. Mr. Harris, the popular anti-business candidate, will probably plug on for a while before he runs out of money, while Mr. Shriver will give it a try in his home state of Massachusetts next week, though now without much hope of success.

Mr. Udall claimed last night to have achieved his twin goals of Georgia; established himself as the front-runner by scoring 30 per cent of the vote in a can. Presidential nomination, crowded field. He was followed by Congressman Morris Udall, from Arizona, with 24 per cent, Senator Birch Bayh, Indiana, 16 per cent, Mr. Fred Harris, Oklahoma, 11 per cent, and Mr. Sargent Shriver, the vice-presidential candidate four years ago, with 9 per cent; the balance of 10 per cent was scattered around a dozen others.

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The Valkyrie

by ELIZABETH FORBES

So inexhaustible are the layers of meaning, psychological and musical, under the dramatic surface of Wagner's *Ring* that an alteration of cast in one of the operas is enough to bring about a drastic change of emphasis. At Tuesday night's performance of *The Valkyrie*, half way through the English National Opera's third cycle since the New Year, several singers were returning to their roles or were returning to them after an interval. As a result, something entirely different bubbled up to the surface of the seething emotional cauldron in a word, sex.

This *Valkyrie* positively reeks of sex. The physical and emotional tension between Siegmund and Sieglinde is tangible from the moment that they set eyes on each other. Fricka's motive for forcing Wotan to abandon Siegmund seems to be sexual jealousy rather than wounded pride or outraged honour. Wotan's affection for Brünnhilde visibly exceeds the limits of paternal love. Brünnhilde is already savouring the moment when she will be awakened by the as yet unborn Siegfried.

Kenneth Woolam makes a powerful Siegmund, the heroic declamation of the first act varied by beautifully tender

phrasing; if some of the music lies a little low for him, there is always the comfortable feeling of plenty of voice in reserve. Ava June's Sieglinde, already an accomplished individual, has blossomed into a compelling portrayal, splendidly sung and acted, ultra feminine in appearance: she is particularly good in the near delirium of the second act. Margaret Curphey, exchanging Siegmund for Brünnhilde, throws out an electrifying Ho-to-to-ho. She too finds some phrases of the enunciation of death rather low, but the music of the last act is already brilliantly sung and projected.

Sarah Walker's subtle Fricka is very far from the usual terribilis. She sings with tonal beauty as well as understanding so that for once sympathy is on her side and not on Wotan's. Raimund Hiering does not try to redress this balance; his power-crazed Wotan softens only his disobedience quite overcomes any sorrow he may feel for Siegmund's death. The orchestra compounds this passionate view of the work while the conductor Charles Mackerras does not pull his punches, flooding the theatre with torrential sound. Despite this, almost every single word is audible.



Margaret Curphey as Brünnhilde

Festival Hall

Mozart & Bruckner

by DOMINIC GILL

The solists in Mozart's piano concerto K455, which opened the London Philharmonic Orchestra's concert under George Solti on Tuesday night, was Peter Frankl. An interesting performance from this fine and often underrated pianist, of late dramatically returned to form—and one that was also at times oddly restless, unsatisfying. The playing has clarity, urgency and force; but there was a brittleness in its colour and phrasing foreign to the mood and key—A major, the key of full-circle in Mozart the key (in the most rigorous, unsentimental sense) in which joy is closest to tears.

In the first movement, Frankl seemed to be pushing Solti's nicely chosen opening tempo too hard; the semibreves lacked repose, breadth, quiet breath. But the adagio, bar one or two over-liberal romantic emphases, I thought most eloquent, beautifully shaped, balanced within itself, and with Solti's delicate instrumental counterpoint. The finale was exciting—a shade slower it could have been more exciting still. Frankl's positively fendish allegro assai at a minimum of metronome 150 and more, showed no mercy in

the early pages to bassoon or clarinet, but gained ease and presence as it calmed towards the end.

The symphony which Solti chose is also one of the LPO's pieces de résistance under Haitink, Bruckner's Eighth. It was a magnificent account, at once careful, cogent, blazing with vitality. If I am still not yet a Brucknerian of sufficient devotion to feel this to be a great symphony (undoubtedly "the creation of a Titan," as Hugo Wolf perceived; but also, as he saw on another occasion, of all Bruckner's symphonies the most pregnant with characteristically massive preparations, massive disappointments)—even still not yet a devotee, I came away again admiring and moved. No Jochum austerity here, but every urge and surge a human conductor may be capable of to bring the preparations to giant conclusion: the very effort, vain but glorious, brought real rewards. Splendid ensemble from the LPO: warm, clean string tone, and an augmented brass section, so often this symphony's Achilles' heel, notably firm and strong.



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Theatre d'Angers

Le Carnaval de Venise

by RONALD CRICHTON



André Campra

André Campra, composer of the opera-ballet *Le Carnaval de Venise*, was born of an Italian father and a Provençal mother, at Aix-en-Provence. He was trained as a church musician at Saint-Sauveur in Arles, went to Saint-Etienne in Toulouse, then became master of music at Notre-Dame in Paris, where the public crowded to hear his motets. In the capital, he began to write for the theatre. *L'Europe galante* (1697) set the pattern for opera-ballet for the time to come. To avoid his losing his job at the cathedral by indulging in profane activities, both *L'Europe* and *Le Carnaval de Venise* (1699) were officially ascribed to Campra's younger brother. Probably no one was taken in. In any case, the elder Campra was soon relieved of ecclesiastical duties to free him to work for the theatre. In due course he worked his way back to church music as a member of the Chapel Royal at Versailles, where he died in 1744.

Campra is the link between Lully and Rameau, "two composers," as Grove puts it "whose eminence transcended his own." When that sentence was written, few music-lovers would have dreamed of seeing a work by Campra on the stage. Now, with Rameau re-established (in the concert-hall at least), and Lully in the process of being taken down and dusted, it makes sense for the Aix-en-Provence Festival to revive something by the composer who, is the most distinguished, apart from Milhaud, of the city's musical sons. *Le Carnaval de Venise*, mounted last summer as a co-production with Toulouse, was generally praised. It was repeated this winter at Toulouse and more recently still at Angers, in the enterprising town theatre which houses the Ballet-Théâtre Contemporain, described more than once in these pages.

The producer was Jorge Lavelli, an Argentinian actor who has made a name for himself on this side of the Atlantic as an opera director, with an

Idomeneo at Angers, soon to be shown again in Paris, with the first new staging for many years of Gounod's *Faust* at the Paris Opéra, with a double bill of *Le Carnaval de Venise* and *Idomeneo* for the Aix-en-Provence Festival. The choreographer Norbert Schumacher, at Angers, Henri Gallois, conducted the Orchestre Philharmonique des Pays de la Loire. Toulouse provided chorus and ballet. Lavelli claims to be primarily concerned with "staging the music." He confessed in a programme note that, since there is no complete recording, studying *Le Carnaval de Venise* was a problem (what one wonders, did opera producers do

before the days of LPs). There had been no revival since 1699, and no modern edition until Roger Blanchard made the present edition. In the courtyard of the archbishop's palace at Aix, where the production was first seen, the effect of the music may have been totally different. The sound from the orchestra pit at Angers, half covered by an apron stage, was remarkably unlike what we expect from our specialist baroque groups. String tones were warm but short on bite and definition. The rest was swamped—flutes, trumpets and a timid tambour were only dimly heard. Judging from this per-

formance, Campra's score is a thoroughly competent blend of French and Italian styles—fluent, melodious, easy to listen to, easy to forget. A more vigorous attack, or even a re-arrangement of the players, might have made it seem more memorable, more individual.

The libretto by Jean-François Regnard, a dramatist of some distinction, is unusual: cleaners, stage hands and a director fussing about in a derelict theatre are interrupted by Minerva and other impatient deities of the type one expects in an opera prologue of the period—they set going an intrigue about two unhappily-assorted couples in Venice at carnival time. To celebrate the sorting out of the couples' affairs (an attempt at assassination misfires, the victim being an innocent stranger, but nobody seems to worry), a miniature *Orfeo*, an opera within an opera, is given as part of the entertainments. Finally carnival and its attendant diversissements take over.

The set is all white (or, in *Orfeo*, all black) with a simple gallery and several doors. Cloths are unrolled and held by dancers to mark off acting areas for dialogue scenes between the principals. There are masks of every kind, colour and shape. The costumes make ingenious use of simple materials, with lots of dull gold, silver, deep red, black and white. Movement is fluid, not fussy, with effective

use of frozen groupings. The choreography and dancing are suited to the style—French audiences, less literal-minded than ours, are content with the swift indication of movements where we expect them to be patiently executed. The end is a riot of streamers, waving banners, balloons going up and snow cascading down.

Isabelle and Léandre, the main couple, were sung by Christiane Ede-Pierre and Roger Sayer, two of France's most eminent singers, both in excellent voice—Miss Ede-Pierre's middle register is gaining in strength, beauty and colour. The second couple, Léandre and Rodolphe, were well taken by Christiane Chateau and Yves Bisson. Two Amicaes, Lynn Maxwell and Bruce Brewer, distinguished themselves in the more florid music of the inter-act operas (had it been badly cut—it was so short as to be barely comprehensible), written, like one of Léandre's arias, in Italian. A fetching spectacle, with a bit too much emphasis on the visual side, too reluctant to persuade the audience to concentrate on text and music. But the Angers public was happy, the theatre snail of that nice French Sunday-afternoon mixture of pepper, mint and garlic, and Lavelli is clearly a producer who should tackle the more important and difficult task of staging Rameau.

ICA Theatre

Smile for Jesus and the Cameraman

by MICHAEL COVENEY

The emotional hang-ups of an unattractive ex-public school boy and his journey to suicide in a unsympathetic, fantasised world form the substance of Roy Kift's play. Anthony Fitzalan (Ian Kift) is dabbling in photography while living on an annual allowance of £10,000. He is gammoned at night, Aldeburgh for the week-ends, and yet he still has time to nurture a growing resentment to his step-father's property business. He picks up Stella, an aggressive Cockney (Paola Dionisotti) and arranges to parade her insultingly before his parents. They let him down; Stella's portrait is used to advertise Anthony's exhibition of the Ludovician and the Crotesque; Anthony decides to become a bum.

There are two other characters to feed Anthony's vanity: a nice girl, Mary (Kirsty Cossgrave) who won't sleep with him; and a building society clerk (Christopher Estridge) who becomes a butt for Anthony's outbursts. The characters, it is alluringly suggested, have no effects on each other so that Stella sees clearly the way to proletarian revolution, the clerk goes mad and starts haranguing the public from an orange box on the stage, and Anthony, after all, was nice too, and our hero swallows a bottle of pills.

The play lasts ninety minutes, takes a very long time to get going and contains a disproportionate amount of poor writing

to good. Mr. Kift whines in clichés through his characters and never, for all the contemporary trappings (and they will seem about eight years out of date anyway), convinces you he is dealing with anything important. The general style is diluted Portia. Theatre (and that's going back a few years) with touches of other young writers like Howard Barker and Stephen Pollackoff. Stella has her revenge at the end, snapping Anthony as she watches him die. Mr. Kift's hair is by Keith at "Smile."

Elizabeth Hall

Alban Berg Quartet

by RONALD CRICHTON

The shade of the composer of Wozzeck must be smiling ruefully in the knowledge that Vienna, which didn't overload him with honour or success during his lifetime, now boasts a string quartet named after him. The only permanent quartet in Vienna, what is more, meaning that the four players, former members of the Wiener Solisten, now devote all their musical energies to the quartet. On Tuesday, under the aegis of the Anglo-Austrian Music Society, they made their first London appearance before an audience which should have been larger. Let them not despair, though slow in the uptake, London chamber-music audiences in time recognise what is good, and become faithful to it unto death.

What made the concert so enjoyable was the revelation not of another perfectly trained chamber-music machine, but of an ensemble of four active minds and ears which have worked out a common style and an individual tone-colour. These characteristics were apparent even at the beginning of the programme, in Schubert's *Quartettsatz*, before they had properly settled down. In the exposition the first time around the leader's tone was in a pontification which sometimes my seat down on the flat) invaded performances of the second Viennese school by even the most renowned ensembles. And there are byways of to belong. The repeat went better. Austrian music which we are hardly ever allowed to explore ment showed the quicksilver—Zemlinsky is one obvious quality which, among other

virtues, distinguished the works by Berg and Dvorak that followed.

The playing of Berg's Lyric Suite was remarkable for its phonic sound, hyper-sensitive shading, refinement, and gracefulness in the phrasing that in the Schubert had recalled the singing of Elisabeth Schumann. There wasn't, perhaps, enough substance for the sempre fortissimo of the "ecstatic" trio to the third movement, but that may have had something to do with sitting too near—there was no lack of roundness in the more richly scored passages of Dvorak's G major Quartet op. 106, which I heard from farther back. But that roundness still had the peculiar flavour, hard to describe—a plangent sharpness like a thread of lemonjuice.

The Alban Berg Quartet must come soon, and must be persuaded from taking the soft option like some larger Viennese organisations which give safely (and shockingly) conventional programmes. It is tempting to think of Schoenberg (to whom the quartet played with such grace and sensitivity) without the forbidding atmosphere of high seriousness and pontification which sometimes invaded performances of the second Viennese school by even the most renowned ensembles. And there are byways of to belong. The repeat went better. Austrian music which we are hardly ever allowed to explore ment showed the quicksilver—Zemlinsky is one obvious quality which, among other

A new ballet company

At a Press conference on Tuesday, Mr. Max Martin, director of the new ballet company, Ballet International, answered some of the questions that have been floating around concerning the formation of the company. Most of the money is to come from the Performing Arts Council of the Orange Free State, who will pay the company £200,000 a year for five years to cover two six-week seasons a year in South Africa. This money will be sufficient to get the initial repertoire set up. Other engagements have already been negotiated, including a Christmas season in London. The company will initially number 46 dancers plus guests. Prokofiev and Samsonev will be in the company's first addendum.

appearance, at His Majesty's Theatre, in Johannesburg in October this year. The repertoire is to begin with productions of *The Sleeping Beauty* and *The Snow Maiden* (which will be given in London at Christmas). There will also be a triple bill including two new ballets.

It is emphasised that the company is British, though its annual engagements in Britain at present amount only to two three-week seasons in London and four weeks touring. In South Africa the company will dance before segregated audiences. The contract to be offered to dancers is similar to Equity contracts, but there will, said Mr. Martin, be "an addendum."

Old Vic

Watch It Come Down

by B. A. YOUNG

What comes down in John Osborne's new play is a powerful, artificial country existence, so we can't, this time, look for a social analogy. The house is a converted railway-station, done up and regardless by Hayden Griffin, who has even put a Tiffany lamp where only half the audience can see it. Its owner is Ben Prosser, a second-class film director. He lives with his wife Sally, a second-class novelist, and gives house-

room to Glen, an ageing homosexual biographer, Jo, a sentimental love-object, Shirley, a bad painter and political activist, and Raymond, a decent homosexual boy who does the housework.

Ben and Sally are on the verge of splitting, and a kind of plot, or anyway spirit, is made from the revelation of this break from Glen, whom everyone loves. The entire household is so hated by the locals that they first shoot Ben's dog, on the pretext that it was worrying sheep, and then in an improbable climax, attack the station with shotguns and what seems to be high explosive. But before that Glen has died and Jo, having promised her love to both Ben and Sally, has hanged herself in front of the weekly goods train that rumbles through the garden.

The squabbles of the Prossers circle do not make riveting theatre. There is a random quality about the set-up that suggests a lack of real urge in the writing; Jill Bennett, as Sally, is given a long "plotting" speech at the beginning without which we should have little idea who she was. The tirades that give such individuality to Mr.

Osborne's early work pour out endlessly, repeats with self-conscious phrases like "Armageddon's a better laugh than Dunkirk" and "a world that despises imagination and only gives instruction in orgasm," and addressed seemingly not by one character to another but to posterity.

What keeps the production afloat, "helps flesh out a rather dull scenario" in Mr. Osborne's words, is fine playing by the three principal characters. Miss Bennett's gracious and friendly behaviour that secures attention from everyone but her husband has a lurid gleam that reveals Sally's hatefully selfish character. Frank Finlay's Ben is a smouldering volcano, his fury contained in the face of provocation save at two points, both searing—one at which he tears up the expensive "creation" he has just given his wife; the other where, after the dog's death, he gives way to an eruption of physical violence. Meanwhile in a neighbouring room, Glen is given an aura of bland good-temper by Michael Gough as he lies in his deathbed, his latest book satisfactorily completed before him.

Michael Feast hits Raymond's character with remarkable accuracy. Susan Fleetwood is soft and malleable as the ever-loving Jo; Angela Giallbraith plays the somewhat colourless Shirley. The director is Bill Bryden.

Watch *It Come Down* in the last first night the National will have at the Old Vic. Let us hope there is no special significance such individuality to Mr.

Odeon, Hammersmith

Emmylou Harris

by ANTONY THORNCROFT

Last November, at her first appearance in Britain, Emmylou Harris played the best concert of 1975; now in February she has sewn up the laurels for 1976 already. She is an easy person to get excited about. She looks good—stately and smiling; she has happy, easy contact with the audience; her material is excellent, being the finest contemporary country songs; and her backing group, the Hot Band, is about the best any singer could deserve. And, just to make sure, Emmylou's voice has an emotional vulnerability which more than makes up for a slight

redundancy. After her extraordinary debut success she faced a hard task on this quick follow-up tour in confirming her appeal and in the first half of her Monday concert there was a lack of fizz. (Emmylou admitted to a late night Sunday.) But after the break there was 90 minutes driving music to the encore-ridden climax, and Emmylou Harris had done it again. Much of the credit goes to the band, in particular Elvis Presley's guitarist James Burton on lead and Glen D. Hardin on

piano, but equally efficient is the choice of material, ranging from those weepy morbid country ballads like "Wheels" and "Hickory Winds" composed by Emmylou's late husband Gram Parsons, to the driving rock numbers like "Queen of the Silver Dollar" and "Amarillo."

Emmylou Harris takes the finest country songs and gives them a rock relevance. She is easily the most agreeable girl musician now working and the most worthy of recommendation. In her case a slight drool is excusable.

Europa Cantat in Britain

Europa Cantat 6, the triennial Festival of the European Federation of Young Choirs will be held in Britain under the presidency of the Duke of Gloucester, from July 30 to August 9 this year.

It will bring together some 3,000 young singers of 20 European nationalities, Israelis and North Americans. The ten-day repertoire of music will range from all kinds of folk-singing to formal large-scale works.

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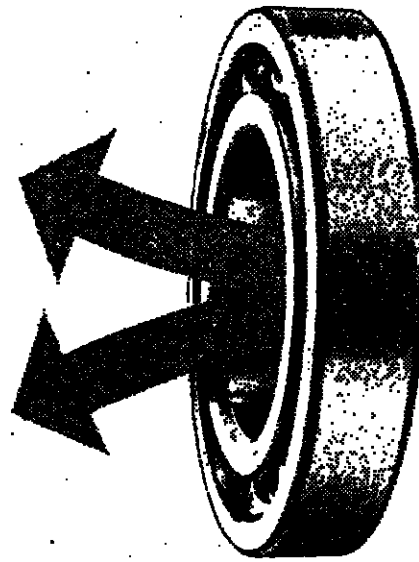
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Which is all part of our group's most ambitious manufacturing and supply project ever—to combine mass precision engineering and advanced forecasting techniques, and to channel the bearing flow to match the demand.



We call this scheme GFSS—our Global Forecasting and Supply System.

And what will it mean to our customers?

Longer runs in each plant make it possible to automate and so achieve better production economy. Bearings aren't going to be cheaper in today's inflationary climate. But GFSS will certainly help to hold prices in check.

Longer runs will also result in greater consistency of production and even higher and more uniform quality.

In fact, with GFSS we are even better equipped than before to supply bearings for anything that rotates.

SKF Group Headquarters, Göteborg, Sweden. In the U.K.: SKF, Luton, Beds.

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AMERICAN NEWS

Geisel visit expected to go ahead

By Hugh O'Shaughnessy

THE STATE visit to Britain by General Ernesto Geisel, the President of Brazil, is expected to go ahead in May despite the decision of the National Executive Committee of the Labour Party yesterday to call for its cancellation.

A motion, tabled by Mr. Alex Kitson of the Transport and General Workers Union, condemning the visit because of the "repressive" nature of the Brazilian regime was passed in the NEC by a vote of 15 to none despite a strongly worded plea from Mr. James Callaghan, the Foreign and Commonwealth Secretary, that it be rejected.

Mr. Callaghan, who is still suffering from influenza, was not present at the meeting but sent a letter declaring that it was British policy to deepen relations with a number of governments of widely differing complexions.

Attached was a letter from Mr. Ted Rowlands, the Junior FCO Minister in charge of Latin American relations who last month visited Brazil. It commented on the recent political gains made by the opposition party in Brazil and the increased freedom of the Press in Brazil.

It is now to be seen whether, in the light of the Government's rejection of their call for a cancellation, the NEC will prepare plans for expressing their further disapproval of the Brazilian military Government.

There has been talk in Labour Party circles of staging the sort of boycotts and pickets which dogged the visit of Premier Marcello Caetano of Portugal during his visit to London in 1973.

There is for the moment only a small likelihood that the Brazilian authorities will reject the formal invitation which has been extended to the Brazilian Head of State from Buckingham Palace. The Brazilian view seems to be that the British Government's local difficulties with a recalcitrant Labour Party are none of their business.

Brazil has a small positive trade balance with Britain. Last year it sold this country about £100m. worth of goods and bought British goods worth £181m. The London money market is a key centre for raising loans for Brazil. British banks are estimated to have provided about \$1bn. in loans last year, apart from those funds which were channelled from non-British banks to Brazil through London.

Chrysler is back in the black says chairman

BY GUY JONQUIERES

NEW YORK, Feb. 25.

MR. JOHN RICCARDO, Chairman of Chrysler Corporation, said today that while "there are obviously still difficulties" at the company's U.K. subsidiary, he is "very positive" about the operation and looks forward to improvements there.

At a Press conference in Detroit this morning, he said that Chrysler had been forced to find a rapid solution to its problems in the U.K. to stem the drain on the Corporation's cash and profits. Chrysler wanted to make the subsidiary a "viable and vital" operation, he added, saying that that objective had been achieved.

Turning to the outlook for the Corporation as a whole, Mr. Ricardo said that the company was now operating in the black and that it intended to remain profitable in each quarter of this year. Yesterday, Chrysler reported an operating profit of \$34.9m. for the fourth quarter of last year after five consecutive quarters of loss.

Wall Street continued to display enthusiasm today at the improvement in the company's financial results and the generally upbeat tone of Mr. Ricardo's remarks. By early afternoon, its share price was up more than one point at \$17½ on heavy volume.

Mr. Ricardo said that the overall improvement in the corporation's operating results during the final quarter was accompanied by a better performance by overseas operations.

These made only a "very marginal loss" in the final quarter after losing substantial amounts earlier in the year.

He added that on the domestic market, Chrysler was well placed to take advantage of the recent shift in demand away from the very smallest models to "compact" and medium-sized cars. The corporation's market penetration was steadily increasing.

Chrysler was proceeding to schedule with the development of a new front-wheel-drive small car to be launched in the U.S. late in 1978, he said, because he believed that in the longer-term the trend pointed towards smaller vehicles. The car will be powered initially by four-cylinder engines purchased from Volkswagen, but Chrysler is developing a four-cylinder unit of its own which will be offered at a later date.

This morning's Press conference was against a backdrop of further improvement in the U.S. car market. During the first three weeks of this month, total sales of domestically-produced cars rose by 21 per cent, over the same period of last year—a stronger performance than some industry experts had expected.

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Crisis over Sra. Peron worsens

The crisis which has put the mandate of President Maria Estela Peron in the balance worsened yesterday with Sra. Peron's continuing refusal either to resign or take a prolonged leave of absence, writes Robert Lindley from Buenos Aires.

Defence Minister Ricardo Guardo met with her for two hours yesterday morning in Government House before reporting to the commanders of the three armed forces.

Various groups of Peronist leaders, including the legislators, were scheduled to meet separately last night and it was unlikely that Congress, closed by Sra. Peron a fortnight ago but convened again into a special session, would have the necessary quorums for the meetings of the deputies and senators called immediately.

Opposition and many Peronist Deputies as well as determined to oust Sra. Peron from the Presidency, either by declaring her "unfit" for the office or by impeaching her.

Caricom split

The Trinidad and Tobago Government announced yesterday it would not recognise the MPLA as the legitimate Angolan Government until the country had been admitted to the UN. The decision threatens the foreign policy cohesion of the Caribbean Common Market (CARICOM), as Guyana has already recognised the regime, and the Jamaican Government has given it generous support, our Port of Spain correspondent writes.

Canada Bill

The Canadian Government has introduced legislation which would abolish capital punishment and replace it with a mandatory minimum 25-year prison sentence with almost no hope of parole, writes Victor Mackie from Ottawa. The legislation was introduced in the Commons jointly with a "Peace and Security" Bill establishing gun control, widening police wiretap powers, allowing provinces to set up commissions of inquiry into organised crime and measures to tighten prison security. Solicitor General Warren Almond said that the reason for the 25-year minimum sentence is that "this is what we think we can get through Parliament."



Jurek Martin on the New Hampshire Primary

Jimmy Carter: yes Ford/Reagan: don't know

NEW HAMPSHIRE lived up to its reputation. For the last 25 years it has been expected to give the rest of the country something of a lead at the start of an election year, and did so again yesterday; it concluded that Mr. Jimmy Carter was quite a good thing but indicated quite clearly that it could not make up its mind between Mr. Gerald Ford and Mr. Ronald Reagan, and passed the buck on to the States of Massachusetts, Florida and Illinois.

Under normal circumstances, for a sitting President to eke out a tiny margin of victory over an opponent, who not very long ago was generally placed quite close to the extreme fringe of the Right, would have been considered a shattering defeat. Governor Reagan still thinks this is the case.

But these are not normal times. Mr. Ford is a weak, un-elected President, thrust into office by an exceptional combination of events, untied in electoral politics beyond his home constituency in Grand Rapids, Michigan, and victim of a national mood that distrusts Washington politicians.

He enjoys, of course, some of the advantages any incumbent possesses: endless national exposure, simply because he is President; a small army of nationally known figures who can campaign on his behalf; the powers of patronage; and so on.

But 2½ years ago Mr. Ford was probably less well known than Mr. Reagan, film actor, two-term Governor of California and heir to the Right-wing throne once occupied by Mr. Barry Goldwater.

When most people crawled into bed in Manchester last night, Mr. Reagan was still in the lead. Then the catch phrase going around was a win is a win, and since Mr. Reagan seemed to be winning, it was thought he had obtained a sizeable early advantage.

This morning, the situation is reversed. President Ford's supporters are applying the same logic (adding that the President is a Rockefeller, Connally, Baker, to name but three), all more or less said that if Mr. Ford looks as though he is going to be eliminated, then they

might step in to stop Mr. Reagan.

A stalemate in mid-March would put them on the spot, particularly Vice-President Nelson Rockefeller, who would have to decide what policy to adopt in the critical primary in his home State of New York in the first week of April.

If the Democrats were not so involved in their own race, they respected reporter of the political scene, Mr. R. W. Apple of the New York Times, believes that the Ford campaign in New Hampshire was very effective in presenting the voters here with a clear picture of Mr. Ford's qualities—through direct mailings, phone calls, and commercial advertisements. If he is right, and if, after all this effort Mr. Ford only managed to garner half the votes, then Carter's lead will further down the road.

What may well happen is that for the next month Mr. Ford and Mr. Reagan will battle themselves to a standstill. Next steps, a week from now, are two more primaries in New England, in Massachusetts and Vermont. Mr. Reagan has probably conceded both of them, though he hopes for some spill-over effect from his performance in New Hampshire.

Florida, a week later, is thought to be Reagan territory. Illinois, on March 16 is probably wide open.

It is quite likely, therefore, that in a month's time both men may have won a couple of primaries each. President Ford may in the process have picked up more delegates, largely because of the evidence of New Hampshire—those who run on states committed to him are established Republicans known State-wide and more likely to attract votes. But the personal preferences of the elector may still be unclear.

Such a situation would place those Republicans interested in the race, but still keeping their feet dry in a difficult position. Mr. Rockefeller, Connally, Baker, to name but three, have all more or less said that if Mr. Ford looks as though he is going to be eliminated, then they

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OVERSEAS NEWS

Hong Kong budget raises profits tax

BY PHILIP BOWRING

HONG KONG, Feb. 25.

HONG KONG's rate of tax on profits is to go up to 17 per cent. from the present 16.5 per cent. The increase will be introduced by the Budget Ordinance 1976-77, which will be introduced by the Financial Secretary, Mr. Philip Haddad-Cave.

Tax on interest and salaries remains unchanged at 15 per cent. Other tax increases in the budget were modest, being concentrated on petrol and property rates.

The Financial Secretary's budget estimates showed that the current year would see an overall budget deficit of HK\$355m. However he went on to imply that it would probably be very much smaller than that.

Judging by the current year, the extreme conservatism of the estimates could turn the predicted deficit into actual surplus. Against an original forecast of a deficit for 1975/76 of over HK\$400m, Mr. Haddad-Cave now estimates that the current year will be a mere HK\$350m. deficit.

Meanwhile, the Government has borrowed a total of over HK\$500m. by means of a local bond issue and a syndicated Eurodollar loan, to finance that almost non-existent deficit. These borrowings will be used to

finance the coming year's deficit, should it materialise.

The main reason for the small size of this year's deficit has been a sharp fall in public works spending. For the coming year it is the revenue side which may prove conservative.

Mr. Haddad-Cave has forecast a rise of only 13 per cent. in revenue (excluding the tax rises) in the Gross Domestic Product at constant prices.

Overall spending is estimated to rise 16 per cent. to HK\$7,210m., with capital spending growing faster—at 12 per cent. in real terms, against 8 per cent. for recurrent spending. Revenue will increase to HK\$6,860m.

The Financial Secretary said that 1976 would be a year of renewed rapid growth for the colony, with GDP up by around 9 per cent. in real terms, though looking further ahead he thought the rate of increase would ease off in 1977. Even 9 per cent. this year would, he said, leave the economy still working below capacity.

Over the past two years, however, when the population of working age has risen by some 8 per cent.

However, he felt the construction sector could be pushed to meet the demands of increased Government capital spending, the underground railway project and any sharp revival in private housing activity.

India threat to courts

By K. K. Sharma

NEW DELHI, Feb. 25.

INDIA'S Law Minister, Mr. H. R. Gokhale, today indicated that the Government wanted to take away the powers from the courts to review legislation enacted by parliament and determining its constitutional validity. In an informal meeting with reporters today, Mr. Gokhale said it was his own opinion that some other machinery, preferably parliamentary, should determine whether a particular act was ultra vires of the constitution.

Mr. Gokhale said the Government is still considering proposals for changes in the constitution and had no plans to make any amendments in the coming session of parliament beginning March 8. But he felt the constitutional changes should be made before the dissolution of the present Lok Sabha (lower house of parliament).

He saw no reason for abandoning the present system of parliamentary democracy. But the changes in the constitution could make the system "more effective."

Our Foreign Staff adds: The Indian courts, particularly at the High Court level, have been especially critical of the Government since the Emergency was declared in June. Last week the Bombay High Court criticised the behaviour of the official Press censor, and earlier in the month the Calcutta High Court asked the Government to explain why it has impounded the passport of the managing director of the Statesman newspaper.

THE ADDIS ABABA SACKINGS

Ethiopia moves left

BY OUR ADDIS ABABA CORRESPONDENT

THE ETHIOPIAN revolution has reached a watershed and the provisional military government is making a hard and determined swing to the left. The dismissal of seven Cabinet Ministers—announced with a considerable sense of drama just as the People's Republic of Angola was making both his first speech to the Organisation of African Unity in Addis Ababa and a savage attack on Zaire—climaxed an extraordinary ten days in Ethiopian affairs.

Events were set in train late on February 15 in the afternoon in a suburb of Addis Ababa. Two lorry loads of troops accompanied by two heavy machine guns, roared up the road for a special broadcast entitled, ominously, Judgment Awaited. After playing much martial music, the Government dropped its bombshell 20 minutes later and announced that the head of the Ethiopian Orthodox Church, Patriarch Tewodos, had been deposed. In a long and angry broadcast, and later in an official statement in English, the Patriarch Tewodos was accused of responsibility for the murder of a number of priests and of amassing an extraordinary fortune of more than \$1m. in "20 private bank accounts."

By all accounts the Patriarch about an alleged £100,000 owed in back taxes. An acting Patriarch, Yohannes, was appointed to hold the office until a new Patriarch is elected to the official version of a few, by the clergy some time before

about 400 according to others — July. The fate of the previous "reactionary" elements who were opposing the revolution, was, and remains, a mystery. No official word on this was given either at the time several days, and the Government, in a formal announcement his going was not lost on anyone in Amharic over the State radio, —he was the last of Haile

At much the same time, the first and second Vice-Chairmen of the military government, Major Mengistu Haile-Mariam

The Ethiopian military government has purged itself of 'reactionary' elements who were impeding its leftward drive.

said all remnants of the former regime "would be drowned in the sea of the revolution."

Next Sunday, after a fierce attack on sections of the Western mass media, warned State radio listeners to stand by for a special broadcast entitled, ominously, Judgment Awaited. After playing much martial music, the Government dropped its bombshell 20 minutes later and announced that the head of the Ethiopian Orthodox Church, Patriarch Tewodos, had been deposed. In a long and angry broadcast, and later in an official statement in English, the Patriarch Tewodos was accused of responsibility for the murder of a number of priests and of amassing an extraordinary fortune of more than \$1m. in "20 private bank accounts."

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and Lt. Col. Adnafa Abate, began to be mentioned again in the local Press after a long absence which prompted much speculation about the possibility of their power having been severely clipped during an upheaval in the Derg, the ruling council. The position of the smiling, pistol-packing Adnafa is thought to be especially interesting as he comes from the same village as the former Patriarch Tewodos and village loyalties are strong.

Then came another bombshell — the announcement by the Government of new Cabinet Ministers of health, labour, housing and transport. Again, no mention was made officially of the fate of the previous holders of these offices. But this minor mystery was cleared up by Monport and some other areas are in similar disarray. What will happen in the key Finance Ministry is something that no one here will even hazard to guess. Major announcements in many key areas are expected in the coming weeks.

For the present, the permanent secretaries in the three ministries left headless will function as Cabinet Ministers, and the Government has emphasised that the sacked men have not been arrested. But it has also said that a similar purge will take place soon among the senior Civil Service.

The process of taking the revolution further—much further—to the left will then be nearing completion. There is no doubt in informed diplomatic circles here that what will emerge soon is a much tougher variety of socialism. There certainly is need of tough and decisive action in many areas, not least housing which, following the nationalisation of urban land and surplus houses, is in a condition of chaos. Transport and some other areas are in similar disarray. What will happen in the key Finance Ministry is something that no one here will even hazard to guess. Major announcements in many key areas are expected in the coming weeks.

Sime Darby ex-chairman sentence 'inadequate'

BY HSA SHARP

SINGAPORE, Feb. 25.

SINGAPORE'S Chief Justice, Mr. Wee Chong Jin, today accepted the Singapore Public Prosecutor's appeal against an 18-month prison sentence on Mr. Dennis William Pinder, former chairman of Sime Darby, Judge the sentence "inadequate." But Mr. Pinder came out of the High Court appeal today with exactly the same term of imprisonment as before.

Mr. Pinder, a Singapore citizen, was jailed last year for criminal breach of trust charges involving a total of over Singapore \$1.25m. (\$250,000) of Sime Darby funds. The 30-day trial was the climax of investigations throughout 1974 and 1975, following Mr. Pinder's resignation at the end of 1973.

Chief Justice Wee, said that in view of Mr. Pinder's position in Sime Darby and the large sums of money involved, there had been "some error of principle" by the trial judge when passing

the original sentence last year. In Justice Wee's opinion the sentence should be about 2½ years for each of the three charges (less than the maximum possible three years) but this could be commuted to two years each, in view of Mr. Pinder's full restitution to Sime Darby.

The sentences could be further commuted to 18 months each in view of Mr. Pinder's serious and deteriorating medical condition. But Chief Justice Wee said it was generally undesirable for sentences to run consecutively—the earlier sentence consisted of three six-month sentences running consecutively—when an accused was convicted of more than one offence in the same court.

The three extended 18-month sentences would thus run concurrently—totalling the same jail term as the earlier sentences. A defence plea for the original six-month sentences to run concurrently was rejected.

Savimbi denies charge

BY TIM CHIGODO

LUSAKA, Feb. 25.

UNITA President, Dr. Jonas Savimbi, has vehemently denied that he visited South Africa at the suggestion of Zambia. A statement released in Lusaka signed by the Angolan nationalist leader, said: "At no time in the history of the civil war in Angola have Zambia and her leaders ever chosen sides, supporting one liberation movement against the others."

Dr. Savimbi said Zambia had consistently supported the effort to achieve a government of national unity involving all the three Angolan political movements, Unita, MPLA and Frelimo. He added that no time had been wasted in going to Zambia where to go and how to get assistance for the liberation struggle. "The allegations that President Kaunda arranged meetings or contacts with South African leaders are totally false," he declared.

Stewart Dalby reports from

Perreira d'Eca, Angola: South Africa has found a partial answer to the vexed question of "refugees" in southern Angola by collaborating with Portugal to fly at least some of them out. For the past three days since the airlift started, refugees from the recent fighting in Angola have been ferried to Windhoek, the South West African capital across the border in unmarked South African airforce C130 transport aircraft. Some 400 refugees are being flown down each day. Others drove off in a motor convoy. At Windhoek the refugees will board Portuguese aircraft and be flown to Lisbon. It is not known how many refugees there are in the border region but what is clear is that they will not all be leaving. The Portuguese Government has agreed to take only white Angolans holding Portuguese passports, black wives or husbands of white Angolans and up to third generation mastochios.

Whitlam in funds row

BY KENNETH RANDALL

CANBERRA, Feb. 25.

MR. GOUGH Whitlam, leader of the Labor Party opposition, today flatly denied newspaper charges that he had discussed a gift of \$A500,000 with representatives of Iraq's governing Ba'ath party to help fund his unsuccessful election campaign last year. But the charges have rocked the Labor Party, still reeling from its crushing electoral defeat, and seems to have weakened Mr. Whitlam's grip on the leadership. Although Mr. Whitlam's version of events has been accepted by the parliamentary party there is a widespread feeling that he did enough to compromise himself and the party. The Sydney Daily Telegraph and the Australian, the two morning dailies in Mr. Rupert Murdoch's news publishing group,

both carried a sensational version of the Iraq affair today, one with a London dateline and the other without it. An apparently independently-sourced account appeared in the Melbourne Sun-Pictorial. The Australian's report detailed names, dates and movements in a way which prompted wide speculation that it originated from security sources.

Mr. Whitlam said he had a breakfast meeting with two representatives of the Iraq Ba'ath party on December 8 at the suggestion of the Labor Party's national secretary, Mr. David Combe, who was present. The meeting was purely a social one, brief, and with no discussion whatever of money.

Japan call to ease bank curbs

THE MINISTRY of International Trade and Industry is urging the Finance Ministry to ease its controls over Japanese banks' lending to large borrowers and so help Japanese industries capital spending and stimulate business recovery. Reuter reports from Tokyo. Under the control enforced in December 1974, Japanese banks have to limit respective loan issues to large borrowers to certain percentages of the combined total of a bank's capital and reserves. For instance, an ordinary commercial bank must limit lending to a large borrower to 20 per cent. of its capital and reserves, he said.

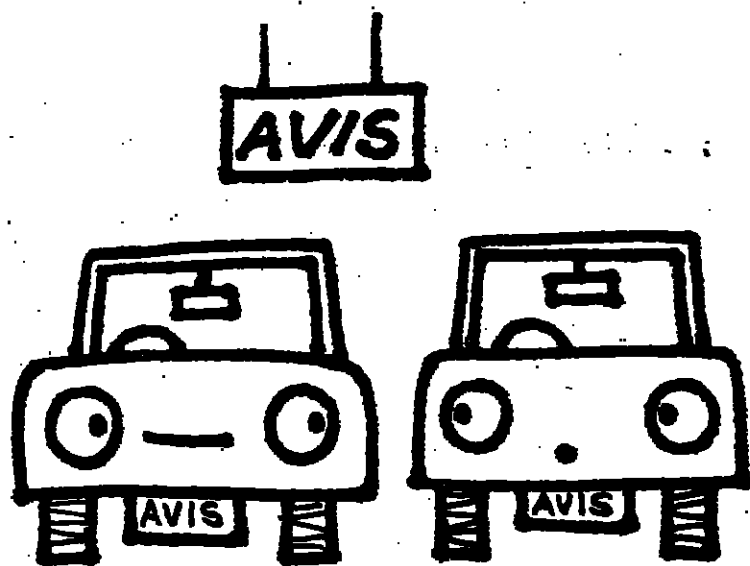
Jemaa to meet

Morocco and Mauritania will formally consult the people of Western Sahara about their future when the "Jemaa" (tribal assembly) meets in the capital El Aaiun on Saturday, officials here

Kenya demos

Despite the Ugandan President Idi Amin's message to President Kenyatta when the sale of an "nothing but peaceful intentions" towards Kenya "the Kenyans are not yet inclined to cool hostile country-wide demonstrations against President Amin's territorial claim on Kenya. The dockworkers' boycott of goods for Uganda continued at Mombasa to-day and will probably go on to-morrow as well. Several dozen troop transport lorries on their way from Libya to Uganda were still held up at Mombasa, writes John Worrall.

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EUROPEAN NEWS

Spain hints at easing Gibraltar restrictions

BY ROGER MATTHEWS

MADRID, Feb. 25.

SENOR Jose Maria De Arellano, the Spanish Foreign Minister, hinted today at an easing of restrictions on Gibraltar, warning that the threat to its southern flank, said that Spain might one day have its own nuclear capability and stressed again that Communists could not participate in the country's transitional phase.

In a wide-ranging interview, Senor Arellano said that the primary purpose of his visit to London next week would be to discuss with Mr. Harold Wilson and Mr. James Callaghan the British attitude towards Spain's links with the Common Market and to explain the policies of the Madrid Government. He thought it was inevitable that Gibraltar would be mentioned though this was not at the moment a priority question.

The reopening of formal talks on Gibraltar would depend on reaction and contacts in Britain, but in a significant switch of emphasis the Foreign Minister said that there were three elements in the equation: Britain, Spain and the Gibraltarians. Previous Spanish governments have always strongly under-

played the role of the Gibraltarians in any settlement. Depending on reaction in London, Senor Arellano foresees the possibility of a different Spanish attitude towards the treatment of the Gibraltar issue, which was taken to mean an easing of the border restrictions with perhaps the restoration of telephone links as a first step.

Questioned by journalists for an hour-long American television programme introduced by Mr. William Buckley, Senor Arellano referred to the "underbelly of Europe" which he thought was "soft and dangerously weak." There was a danger in Italy and France that Communists might get into the Government and this could pose a great danger to the West by undermining both NATO and the Common Market.

He claimed that everyone knew that statements made by Italian and French Communist leaders were not true and stressed that one always had to distinguish between tactics and ideology. It did not matter whether the Communists tried to change their masks because it was accepted that they were always ready and waiting for the occasion to surprise the West.

In Spain some Communists could be respected as individuals but as a party they would not be welcomed during the transitional phase toward democracy "because we do not trust them and because we know they would cheat from the start."

Senor Arellano said that he favoured détente both because he believed in it and because it was imposed by necessity. Spain had not signed the nuclear non-proliferation treaty because the Government might wish to have its own nuclear capability one day. "We do not wish to be the last if that is going to be the trend of the next few years."

David Buchanan adds: Whitehall sources said yesterday that any Spanish change of attitude on Gibraltar would be warmly welcomed, but that it had not materialised yet. Nor would British ministers bring the matter up at next Tuesday's meeting with the Spanish Foreign Minister unless he initiated it first. If Spanish entry into the EEC were imminent, the sources hinted, then Britain might use Madrid's need for British approval to obtain some concessions for the Rock.

Split in Communist unity troubles East Germany

BY LESLIE COLITT

EAST GERMANY, the westernmost state in the Soviet bloc, is showing concern about the effects of the growing split in the Communist movement as a result of the increasingly independent line taken up by parties outside the Moscow orbit. Party ideologues are seeking binding answers to questions from the rank and file about the activities of the French, Italian and Yugoslav parties, but have so far had trouble coming up with satisfactory ones.

The lively debate that has been going on in the country for some time on the whole issue of Communist unity is to receive a new impetus from the critical remarks about "opportunism" and "revisionism" parties made by Mr. Leonid Brezhnev at the current Soviet party congress.

The East German debate has emerged within the countrywide "people's discussion" now taking place before the ninth Communist Party Congress of East Germany in May. East Germany's intelligentsia in particular is said by non-East German Communists to be highly interested in the effects that growing criticism by Moscow of the independent line will have on their ties with East Germany and other Soviet-led countries.

Questions are being posed at party meetings held to discuss the directives which are to be adopted at the forthcoming GDR party Congress. The reaction of low echelon party ideologists at such meetings is said to range

from "bewilderment" to an attempt to explain the dangers of all forms of "anti-Sovietism."

But their task is complicated by the fact that Moscow has tried to avoid a complete break with the independents, while retaining its claim to world Communist leadership.

A Westerner questioning whether the average East German was really concerned about the estrangement between Western parties and the Moscow-orientated parties received virtually an identical answer from various Communists residing in the GDR: the full meaning of such ideological shifts first comes home to the intelligentsia and after a while, becomes common knowledge. The examples of the "Prague Spring" of 1968 in

Czechoslovakia and the Soviet-Chinese split are cited as evidence of the "distortion" of the Socialist revolution.

Recently Neues Deutschland reprinted the key argument of the Soviet party newspaper that the "revisionist" Western parties are corrupting "anti-Sovietism" by "betraying Moscow's insistence" on proletarian internationalism sometimes known as Brezhnev doctrine.

Such shadow-banking, believed in the GDR, may be discarded for more sparring if the intra-Communist debate takes on a more intense form.

German Writers Union quoted by an East Berlin paper as saying the "abandonment of the dictatorship of the proletariat means the defeat of the Socialist revolution."

When the French Communist Party earlier this month decided to abandon the principle of "dictatorship of the proletariat," the GDR Communist Party newspaper Neues Deutschland reprinted the address by French Communist leader Georges Marchais as well as a front-page editorial opposing all who abandon the principle.

A few days ago, the head of the Berlin section of the East for-

ward of the East for-

Moscow speeches echo Brezhnev

By Moira Cunyngname

MOSCOW, Feb. 25.

THE SOVIET Party Congress today got down to the routine of hearing speeches by Soviet and foreign delegates in what is called a discussion of the policy statement by Mr. Brezhnev yesterday. Several Politburo members spoke but all speeches were like short extracts from Mr. Brezhnev's. No speaker would dream of saying anything contrary to what Mr. Brezhnev said yesterday but it is noticeable that whereas these speakers feel free to take a hard line on certain ideological and foreign issues their criticism of the economy is definitely mild in comparison to what Mr. Brezhnev had to say.

Mr. Brezhnev's criticism of some aspects of the economy was stronger than many expected in view of the undoubted progress in certain fields during the last five years. He called for a fundamental improvement of planning particularly for the consumer section, a more efficient use of economic incentives and instruments such as accounting profits prices and bonuses, and an overhaul of structure and methods of management. He also said that ministries and other state bodies should be made more accountable.

Some of Mr. Brezhnev's remarks about certain ministries, namely those responsible for the consumer section, appeared strong enough to make many observers feel that some Ministers and officials may be replaced.



WITCH-HUNT IN MOSCOW

No names mentioned, but the drawing above is unambiguous: Mrs. Thatcher, whose remarks last month about Soviet military intentions obviously still irritate Kremlin leaders, has come in for new criticism here—in the view of a Moscow children's library. The poster depicts her as a witch bent on bringing tensions back to Europe. The scarf forms a sterling sign: Big Ben looms in the background. The caption goes on: "It is said when she has chattered to her heart's content and when she had completely enjoyed her slanders, she flew up to heaven like a witch, driven by this dream." The dream is depicted as coming from the mouth of capitalists and NATO leaders who appeal "help her, Mr. God, to bring back tensions to Europe."

Closing of ranks in French centre

By Robert Mauthner

PARIS, Feb. 25. THE GROWING popularity of the French left-wing parties, strikingly reflected in public opinion polls following the recent adoption of a new Liberal line by the Communists, has stung the French centre parties into unprecedented efforts to close their ranks.

Prodded by President Giscard d'Estaing, who has all along maintained that the French people basically want to be ruled by the Centre, and who is anxious to reduce his dependence on the Communists, two of the smaller Centre parties, M. Jacques Duhamel's CDP and M. Jean Lecanuet's Centre Democrats are preparing to merge.

M. Lecanuet, Minister of Justice and one of the three leading members of M. Giscard's coalition Government, is expected to lead the new party, which will control about 40 seats in the 490-member National Assembly.

Italy has decided on a series of measures designed to restore credibility in the Lira. Antony Robinson in Rome, asks just how adequate they are likely to be.

Defence of the Lira

FEARS THAT Italy risked getting into a self-perpetuating South American-type devaluation-inflation spiral lie behind the decision of the Italian authorities to reduce bank liquidity, raise interest rates to defend the lira and reopen the official foreign exchange market on March 1.

The measures basically represent a compromise between the treasury and the Bank of Italy. For some time the treasury has been pressuring the Bank of Italy to reopen the foreign exchange market, while the central bank has insisted on tighter credit, stringent controls on the expansion of the money supply arising from the public sector deficit and the abolition of export credit facilities, which appear to have played an important part in the export of capital made possible by the highly liquid state of the economy.

Deteriorating

Faced with the rapidly deteriorating state of the lira—which reached a new low of L806 to the dollar in inter-bank trading on Tuesday, a 12 per cent devaluation compared with the last official fixing of L686 before the central bank stopped intervention on January 30—the Treasury in effect has been obliged to accept the Bank of Italy's arguments.

On Tuesday's levels, the lira on a trade-weighted basis calculated by the Bank of Italy showed a depreciation of 28 per cent against the dollar, 37 per cent against Common Market currencies and 33 per cent against all currencies, compared with the rates prevailing immediately prior to the decision to float the lira in February 1973.

This is already well beyond the limits which the authorities predicted when they took the decision to stop using the reserves to support the currency in the immediate aftermath of such obvious emergency technical measures can be. But they clearly solve none of the grave political, economic and monetary problems behind the crisis. The main problem is still that of controlling the public sector deficit and instilling greater efficiency and honesty in the public administration.

The point is that the fundamental cause of the lira's weakness is attributable to the vast

generating process of devaluation-inflation, partly because of the devaluation of the lira, and partly because of the threshold payment system, based on the cost of living index, which guarantees a powerful and automatic inflationary response by wages to any given inflationary situation.

Just what is to be expected on March 1 when the official exchange market reopens, and how the authorities will defend the lira with the depleted reserves—some \$500m. of convertible currencies plus \$3,432m. of gold (valued at \$42 per ounce) at their disposal? In the first instance, the authorities are taking place with the New York Federal Reserve, to ensure access to the existing swap lines of \$3bn., of which \$250m. has already been drawn, as "bridging finance" prior to the hoped for successful conclusion of current negotiations for a \$530m. facility from the IMF and \$1bn. from the European Community. Clearly, however, the central bank is not going to waste the expensive new potential additions to its reserves by a rigid defence of an untenable parity. To quote the Rambouillet communiqué, the Bank of Italy's tactics are expected to "iron out random shocks" without specifying too closely the exact nature of the ironing out, or random, or shocks.

What the authorities are believed to be aiming at is a flexible defence of the lira within the L750-770 to the dollar band. They believe that the latest unregulated market indications of the lira's worth are exaggeratedly pessimistic and due principally to speculation and uncertainty of all kinds which has surrounded the currency up to now.

Are the measures sufficient to restore credibility in the lira? The answer is partially, and in the immediate aftermath, probably "yes," to the limited extent that such obviously emergency technical measures can be. But they clearly solve none of the grave political, economic and monetary problems behind the crisis. The main problem is still that of controlling the public sector deficit and instilling greater efficiency and honesty in the public administration.

The point is that the fundamental cause of the lira's weakness is attributable to the vast

and virtually uncontrollable increase in public sector expenditure, uncovered by revenue. Recent figures show that the public sector deficit amounted to L14,500 per cent of the L98,000m. last year. This deficit and later financing need was spread equally over the year, roughly a half of the total was concentrated in the last quarter of 1973 alone.

Furthermore, the limit to public sector deficit, which Italian authorities agreed in 1974 as a condition of rolling out the \$1,550m. short-term E facility, was fixed at a maximum of L8,000m. for the year. It shows how difficult it is for Italian authorities to honour these obligations. It is this which has clearly made the lira system awash with use.

In effect the treasury has been borrowing and then transferring vast sums to the various public sector bodies, still controlled by industries and on which were then in large deposits with the banks, due to the inefficiency of the public sector effectively to spend funds made available to it. The classic example of this is the L4,000m. refinancing package introduced with such fanfare last July has in fact been spent.

Incapacity

Once again the incapacity of the Italian political system to provide Italy with an efficient administration, or an equitable and efficient fiscal structure, meant that purely monetary measures aimed at stimulating the economy have been placed six months later by restrictive monetary measures to mop up the surplus liquidity created. Translated into the world, this means that there is no chance of a return to a monetary policy to raise the level of investment and economic activity, but time enough to inject a highly-charged inflationary factor into the system through an excess of liquidity.

As Dr. Mario Sgarbi, an economist, put the situation: "is as though the authority thought that a flood was sufficient to cure a drought, without thinking of the need for seed and cultivation."

Greek bank group to spend \$1.5bn.

ATHENS, Feb. 25. A CONSORTIUM of state banks set up by the Government last December will make investments worth \$1.5bn. within the next five years to help in Greece's industrialisation, it was announced today.

Mr. C. Goustis, chairman of the Board of the consortium called Hellenic Industrial and Mining Company (Elemeve), said a detailed investment programme based on techno-economic studies will be drawn up as soon as possible.

The consortium, set up on Government initiative, includes the state-owned Hellenic Industrial Development Bank, the state-controlled National Bank of Greece, the latter's investment subsidiary National Investment Bank for Industrial Development (in which a number of European and American banks are minority shareholders) and the National Mortgage Bank of Greece which is largely controlled by the National Bank of Greece. Its share capital has been set at drachmas 3bn.

The banking consortium is meant to operate in major investment fields not covered by private enterprise. It is not intended to compete with private enterprises.

Man dies in clash

BY ROGER MATTHEWS

MADRID, Feb. 25.

A WORKER was shot dead by police during a clash near the southern Spanish town of Alicante last night. It was officially announced today. This is the first fatal incident in Spain's two-month outbreak of strikes and demonstrations.

The Civil Governor of Alicante, who expressed regret over the incident, said agitation in the region had been rising and that as investigating police were leaving a workers' meeting in the small town of Elda a group of workers "began shouting insults at them and threw stones."

Police tried to disperse the demonstrators "but were forced to make use of their guns when they heard shots." A 20-year-old office worker was killed, and three people were arrested.

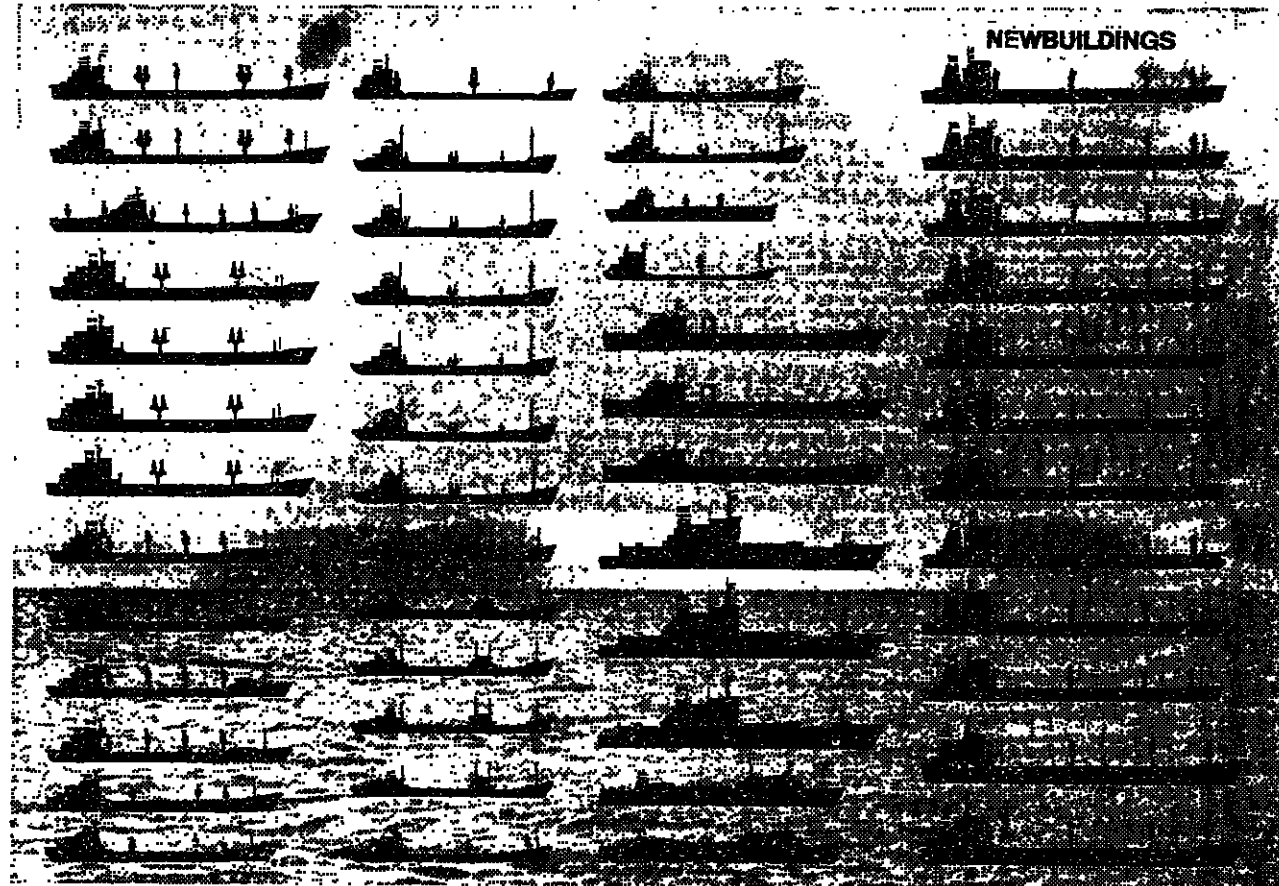
Meanwhile, the strike of lorry-drivers in Madrid, which is in support of economic demands and led to several arrests yesterday, spread to-day affecting several provincial centres and threatening fresh food supplies. Official sources said fish and meat supplies to Madrid would not be immediately affected but fresh fruit and vegetables could quickly be in short supply.

The Catalan town of Sabadell was in the grip of a general strike for a second day. More than 50,000 workers stayed away from their jobs to support their demand for more pay, while

shops, bars, restaurants and schools were closed in sympathy. About 100,000 construction workers in Catalonia also remained on strike, with municipal staff in Barcelona maintaining their ten-day-old stoppage.

About 14,000 miners in the North-west were locked out for the third time by the State-run company Hunosa, an action almost certain to carry the dispute into its third month. Several arrests and incidents with police have been reported during the long-running strikes in Victoria and in Vigo. In Pamplona, where 30,000 workers and their families demonstrated on Sunday, most industry in the town was halted for an hour to-day as the first step in backing demands for a new wages deal.

The Government has still to publish its long-awaited package of economic measures designed to back up the devaluation of the peseta. In spite of a marathon Cabinet meeting yesterday all the Government could announce was that the measures would be sent to the Cortes (Parliament) for approval. Agreement is understood to have been reached on several points, but the main economic ministers are due to meet again to-morrow to discuss the sensitive topic of agricultural support prices.



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Nuclear impasse: 'new report' call

By Robert Mauthner

PARIS, Feb. 25. THE GROWING popularity of the French left-wing parties, strikingly reflected in public opinion polls following the recent adoption of a new Liberal line by the Communists, has stung the French centre parties into unprecedented efforts to close their ranks.

Prodded by President Giscard d'Estaing, who has all along maintained that the French people basically want to be ruled by the Centre, and who is anxious to reduce his dependence on the Communists, two of the smaller Centre parties, M. Jacques Duhamel's CDP and M. Jean Lecanuet's Centre Democrats are preparing to merge.

M. Lecanuet, Minister of Justice and one of the three leading members of M. Giscard's coalition Government, is expected to lead the new party, which will control about 40 seats in the 490-member National Assembly.

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Giscard rebukes 'execution call' Ministers

By Rupert Cornwell

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HOME NEWS

Ulster majority rule demand likely next week

BY OUR BELFAST CORRESPONDENT

LOYALIST members of the Northern Ireland Convention, in typically uncompromising mood, decided yesterday to steamroller their demand for a return of majority rule through the winding-up debate of the 78-member Assembly.

They used their majority on the Convention's business committee to only allow a single day's sitting—next Tuesday—to complete the four-week recall.

Hard-liners

The Unionist coalition will vote through its long motion on Tuesday recommending that the Government should accept the Convention report and hold elections to a new Parliament.

A head-on collision between the Loyalists and the Government now seems inevitable. Several of the Unionist coalition's hard-liners will be urging

Fears grow

Officials at the Northern Ireland Office are continuing meetings with Protestant paramilitary groups and with Provisional Sinn Féin about the phasing out of political status for convicted prisoners from next month.

All the paramilitary organisations are pledged to oppose the ending of the special category system. With the Government firm on its proposals, fears are growing that the Provos will use the issue for another wave of violence, particularly in Belfast, and that the protests of the Protestant groups will also spill over into disruptive tactics.

Mark hits at jury trial for police

By Donald Maclean

CRIMINAL Justice is inadequate for dealing with corrupt policemen, Sir Robert Mark, Metropolitan Commissioner of Police, said in London yesterday.

Addressing a conference of Conservative women, he said that 36 out of 72 officers tried by jury since he took office had been acquitted, "though not more than a few of them could conceivably have been not guilty."

"The reason for that is, of course, the unwillingness of juries to convict police officers on the evidence of criminals."

In the three years and 10 months since he became Commissioner, 82 officers had been required to leave the force following "formal proceedings." A further 361 had left voluntarily during the course of criminal or disciplinary inquiries.

This average of some 100 a year compared with an average of 16 a year throughout the previous decade.

"I think," said Sir Robert, "that we can now probably claim the most effective system for dealing with internal wrongdoing to be found in any organisation in this country. Our fears about the Police Bill (currently before Parliament) are not that it will increase our accountability, but that it will lessen the effectiveness of our disciplinary system by reducing it to the level of criminal justice."

Auditors' note on Brentford Nylons

BY RHYD DAVID

BRENTFORD NYLONS, the household textiles concern which called in a Receiver on Monday, had its last set of accounts for the year ending on January 4 heavily qualified by the auditors Price Waterhouse in a note dated November 11.

Through the accounts, recently deposited in Companies House, deal with a period before the company ran into its most difficult trading conditions in the last half of last year, they

More Home News, Pages 15, 22, 23, 24

Indicate that the group was already suffering an acute cash crisis in 1974, with debts clearly mounting.

Price Waterhouse says in its note that the accounts have been prepared on a "going concern" basis on the assumption that the group's bankers and others will make sufficient finance available to the group to enable it to continue to trade.

The accounts show that in the year total turnover rose from £20.4m. in 1973 to £24.3m. A profit of £130,297 is reported but only after a special credit of £550,000 in respect of a claim against a supplier, and receipt of £186,000 in regional development grants. Profit in 1973 totalled £365,000 and in 1972 £1m.

The accounts also reveal that amounts owed creditors in-

creased between 1973 and 1974 from £5.78m. to £9.37m., with loans repayable within a year going up from £620,246 to £1,229m. and bank overdraft from £1.3m. to £5.1m., giving the company total current liabilities of £14.9m., an increase of £3m. on the previous year.

The current assets figures show that most of the company's working capital was being provided in 1974 from creditors. With demand for the company's range of household textiles evidently already falling, stock and work in progress rose from £3.2m. to £7.25m., with debtors and prepayments falling from £2.3m. to £1.5m.

Shareholders' funds rose only marginally to £5,065m., whereas total year-end debt came to more than £10m. The £1m. share capital of the company, which is privately owned, is held almost entirely by Mr. Kaye Metrebian, the chairman, and his family. During the year Mr. Metrebian was paid a total of £100,000 in emoluments, the same as in 1973. One director earned between £17,500 and £20,000 and three between £12,500 and £15,000.

Privy Council

THREE Prime Ministers — Mr. Malcolm Fraser, of Australia, Mr. Robert Muldoon, of New Zealand, and Mr. Lynden Pindling, of the Bahamas, have been appointed members of the Privy Council.

'Inflation may still top 15% in 1977'

By Michael Blandon

THERE IS a fair chance that inflation in the U.K. will still be above 15 per cent. a year in January, 1977, according to the views recorded in the latest survey of senior executives published by Amex Bank.

However, the survey shows that interest rates in both the U.S. and Europe are expected to remain fairly stable for most of the rest of this year.

Few of the executives who answered expect the prime lending rate in the U.S. to drop much further than its present 6½ per cent., with the general view that it is unlikely to go below 6 per cent. But almost two-thirds expect rates to be still below 8 per cent. by January next year.

Interest rates in the U.K. and West Germany are expected to follow a similar pattern, although a third of the answers expect the Bank of England's minimum lending rate to remain below 10 per cent. at least until July this year.

Looking at the U.K., the respondents feel that the Government's counter-inflation policy should succeed in cutting the inflation rate to the 15-20 per cent. range by mid-July; but only a bare majority of the answers expect the rate to be below 15 per cent. by January, 1977.

Wine consumption fell by 7% in 1975 after duty rise

BY KENNETH GOODING

BRITAIN'S wine trade was "in a very alarming position" and on the brink of collapse, claimed Mr. Peter Noble, chairman of the Wine Development Board, yesterday.

The Board estimates that wine consumption fell by 7 per cent. to about 500m. bottles last year, mainly because of the impact of duty increases.

Mr. Noble maintained that the wine trade had done extremely well to contain the fall in consumption to only 7 per cent., and faced disaster if there was a further addition to duty in the April Budget.

He recalled that imports of wine fell by 11 per cent. in 1975. One reason was that Britain had her own "wine lake." "And I don't know when it will dry up."

This was a reference to the large stocks of Bordeaux wine overhanging the trade, which collectively has written more than £10m. off the value of these stocks.

Mr. Noble commented: "Never has so much wine been offered to so many at such a low price." And if the Chancellor attacked the trade again, he added: "Never will so much wine be offered to so many by so few."

Six more mile of M25 open

A SIX-MILE section of the 7 London orbital route, between Hutton Bridge and Maple Cross, will open today.

The Department of Environment has also accepted the £2,487,010 tender of Pe Bilton for improving the heavily overloaded A41 trunk road from Hutton Bridge Courtlands Drive, Watlington.

Lloyd's Life attack on commissions plan

BY ERIC SHORT

THE INTRODUCTION by the Life Offices' Association of a new premium-related commissions agreement was criticised yesterday by Sir Henry Mance, chairman of Lloyd's Life and past chairman of Lloyd's.

Speaking at the fifth annual general meeting of the company, he said that it was entirely wrong of the LOA to pick out commissions from the whole range of new business costs, and then insist that all members should conform to the pattern. The association could not ignore other procurement costs.

Sir Henry thought that it was highly desirable that all life companies, including Lloyd's Life, should have members of one association representing the life assurance industry and speaking with one voice to the Government. But he was not prepared to accept a commission cartel as a prerequisite of joining the LOA.

As far as Lloyd's Life was concerned, where a life broker provided a significant service, he

Surplus

Expenses had been brought in line with income, and the interest earned on shareholders' capital was making a significant contribution to earnings. The fund had a surplus for the period of £400,000, compared with a loss of £700,000 in 1974.

Lloyd's Life was established in 1971 to complement the range of insurance services offered by Lloyd's of London by providing a complete range of life assurance products. The share capital has been subscribed by the underwriting members of Lloyd's, through the medium of their Premium Trust Funds, but one "A" ordinary share, with special powers, is held by the Corporation of Lloyd's.

Government 'formulating new industrial strategy'

BY OUR GLASGOW CORRESPONDENT

THE GOVERNMENT is developing a new industrial strategy involving both sides of industry, and its first task will be to create an economic climate in which British companies can compete more successfully at home and abroad.

Mr. Bruce Millan, Minister of State for Scotland, told this to representatives of some 300 exporting companies at a conference in Glasgow yesterday.

The strategy would ensure that overall economic policy supported industrial and export expansion, he added.

"Mr. Millan emphasised that the key to any successful future economic policy was to bring down the rate of inflation. This had, despite the downward float of the pound, imposed severe handicaps on exporters.

Difficult

"It is not a matter for a few months, but a long-term policy, and we are determined to succeed."

"Our success over the past year has been very much due to the co-operation of the CBI on prices, and of the tremendous co-operation from the TUC on pay."

Hypermarket 'causing chaos on roads'

EUROPE'S BIGGEST and newest hypermarket has created traffic chaos in parts of a town's busiest traffic route, turning 10-minute journeys into an hour's driving. Greater Manchester Council was told yesterday that the Tesco hypermarket opened at Irlam, near Manchester, on Tuesday with traffic queues of up to three miles.

The council has been asked to consider building a link road across the site of former steel works. It was told that plans to install traffic lights at the hypermarket turn-off would do little to solve the problem.

Councillor James Sharrock,

"If our overseas customers can see management and trade unionists working in harmony for exports, it will be immensely valuable as a confidence booster for future business."

"The Government is playing its part. The Trade Secretary has been looking for appropriate opportunities to take union representatives on his visits to some of our overseas markets."

Obligation

"You are entitled to look to the Government for a lead. It is our obligation to give one. But at the end of the day, success does not rest with the Government alone. It requires the efforts of us all."

Sir Frederick Catherwood, chairman of the British Overseas Trade Board, organisers of the conference, gave a warning that the new level of social services could not be maintained without an export expansion.

Export markets were likely to expand sooner and faster than the home market, he said. Latest reports showed that markets in Europe and North America were expanding again. "This was especially true of the U.S."

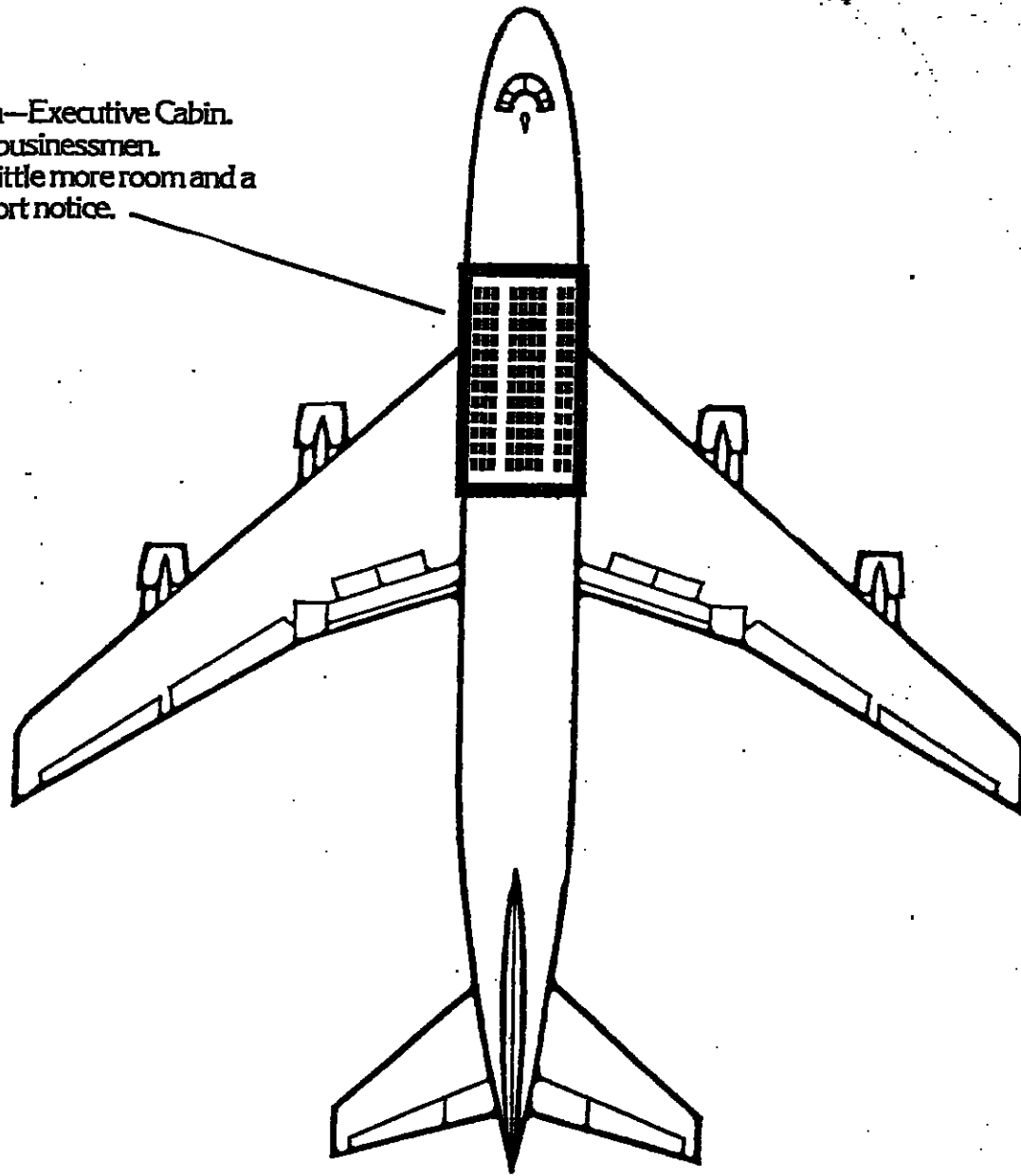
"Britain will follow when we can finance our expansion, which we will not be able to do until we have covered our deficit by much higher exports."

"Exports are the only way out for everyone—companies, workers and government."

Councillor Norman Weall, chairman of the highways committee, said he could hold out little by way of solution to a problem which has been created by an "ill-advised and ill-planned" decision over the siting of the project by the former Lancashire County Council.

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THE JAL TACHIBANA

A POTENTIALLY important official outcome of European Architectural Heritage Year is the setting up in this country of a Heritage Education Group to foster the continuation of "conservation education." The panel, established by Lady Birk, Parliamentary Under Secretary at the Department of the Environment, will be chaired by Professor Asa Briggs, vice-chancellor of Sussex University. It will have some 20 other members, only two of them architects, although it must be said that the general composition of the panel is culturally very wide.

Appreciation

Lady Birk, in announcing the formation of the group, expressed her appreciation of the enthusiasm and impetus created last year by the Education Panel set up as part of the EAHY organisation under the Civic Trust.

That panel achieved considerable success in promoting the study of our architectural heritage and ways in which it can be conserved, these studies being mainly activated through schools and higher education institutions. The new group will aim to mobilise opinion and activity both in "conservation" and also "the design of new buildings." The latter, presumably intended to influence aesthetic design, is something quite new in that public opinion on new buildings has hitherto only been expressed when they are up.

To educate a body of lay opinion to the point where it can usefully criticise an archi-

tect's plans and working drawings may be asking rather much of a relatively ill-informed public. It is, nevertheless, an important matter. For there is no doubt that much architectural design is aesthetically dominated by enthusiastic gimmickry which, if it has any appeal at all, has but a very fleeting one. The architect filled with the urge to produce something either different from or similar to the latest productions of more successful and slick professional brethren can always produce a practical or aesthetic justification to the uninitiated. So it is scarcely possible to see much real benefit coming from that quarter of the panel's activities.

To instruct in the meaning and aims of conservation and to educate taste so as to detect the false and encourage the suitable in the environmental sense is a different matter and one more easily and understandably acceptable by those who seriously wish to learn. One of the greatest gaps in cultural education in this country has been the absence in school curricula of an early encouragement of the art of perceptive visual appreciation. If the group can stimulate this need through the study courses it may suggest, much good will have been done.

Practical

The other aspect of conservation, practical and technical, is even more important. Without it all the enthusiasm and pressures from informed opinion would come to naught. This aspect is that of the man who carries out the job of con-

H. A. N. BROCKMAN surveys the tasks of the recently formed Heritage Education Group Taste builders

ervation on a building, which, whether old or erected in the 20th century, is being neglected through lack of interest in its survival and is suffering the decay of fine craftsmanship for lack of the men who can carry on a craft tradition.

Schemes

Various schemes to aid or initiate these much needed training courses are already in hand. As I understand it, there is a year's course, for nine students only, at the Institute of Advanced Architectural Studies in York, some courses run by the Society for the Protection of Ancient Buildings, and two "Lethaby" scholarships. The Royal Institute of British Architects is encouraging part-time training on practical aspects, but these would seem to be devoted to the training of architectural students with a view to their subsequent fitness to supervise the man with the mallet or chisel, but not to do the job themselves.

The need at the latter level is far greater than that which is at present recognised. It has been suggested that an

Centres

By far the most attractive suggestion was put forward more than a year ago by the Cathedrals Advisory Committee. That was that cathedrals work-shops, some of which have been in continuous existence since the Middle Ages, should become regional centres for the special skills needed for the repair of churches and of outstanding secular buildings. Here is a suggestion which should surely be followed up by Professor Briggs' group. The workshops do not have to be built—they are there and so too are the men to do the training.

So far, the group has been given a grant of £25,000 for its initial work in 1976 and 1977, and at the end of the year it is at present recognised, will present its report on work in progress.



A fine example of recent restoration work—and of the sort of project where the ever-scarce skilled craftsman is needed: the early 16th century main entrance to Brasenose College, Oxford.

APPOINTMENTS

Redman Heenan group posts

PROUDE ENGINEERING has made the following appointments to its Board: Mr. J. M. Hubbard (finance), Mr. J. C. Jeffrey (engineering) and Mr. D. E. Stanley (commercial). The company is a member of the Redman Heenan group.

Mr. David P. Hansell, works manager of BRIDGE CHEMICALS, has been elected to the Board.

Sheik Mohamed Al Badrawi and Mr. Ahmad Khalfa have been appointed to the Board of EDWARD BATES AND SONS (HOLDINGS).

Rear-Admiral J. O. Roberts is to be Flag Officer Naval Air Command in succession to Vice-Admiral P. M. Austin in August.

Mr. Clive C. Gregory, who was previously financial director of two subsidiaries of PENTOS, has been appointed group controller.

Mr. D. W. Smith has been appointed manager and Mr. L. W. Peacock an assistant manager, in the London branch of GIRARD TRUST BANK.

Mr. J. Ross MacLennan and Mr. Neil A. Denton have been appointed directors of PENSION PLANNERS (EUROPE).

Mr. Gordon Sparshatt, formerly general manager of WADHAM STRINGER COMMERCIAL (PROPERTY) LIMITED, has been appointed sales and marketing director.

Mr. Claude Caron has been appointed president of SAINT-GOBAIN INDUSTRIES GLASS FIBRE PRODUCTS with overall responsibility for operations of reinforced glass fibre. He will be based in Paris.

Mr. Eric Barnes has been appointed manager, unit trust investments in the investment division of COUNTY BANK, a member of the National Westminster Bank Group. He succeeds Mr. Leslie Beaver who recently retired.

Mr. A. A. Smith has become managing director of ERIC BRITTON AND CO. LTD., recently acquired by Whitbread. His appointment follows the retirement of Mr. Eric Britton as chairman and managing director of Britton.

Mr. W. A. Palmer (Huntley and Palmers) has become president of the ROYAL WARRANT HOLDERS ASSOCIATION in place of Mr. J. M. Cornwell, who has retired on completion of his year of office. Mr. R. E. Stevens (Mappin and Webb) has been made vice-president and Mr. Edward Rayne (H. and M. Rayne) is honorary treasurer.

Mr. Ian A. Laker has been appointed managing director of the LONDON CIGARETTE CARD COMPANY in place of Miss Dorothy Bagnall, who has retired after 25 years with the company. She will be continuing as Editor of the monthly magazine.

Mr. David P. Brougham has been appointed vice-president of VELLON BANK N.A., London.

U.K. ECONOMIC INDICATORS

General	Unit	1976			1975		
		Feb.	Jan.	Dec.	Feb.	Jan.	Dec.
Unemployed*	'000s	1,304.4	1,438.3	1,211.4	757.1	742.0	n.a.
Unfilled vacs.	'000s	98.1	88.8	102.1	180.6	n.a.	n.a.

	Unit	1976			1975		
		Jan.	Dec.	Nov.	Jan.	Dec.	Nov.
Current res.	£bn.	6.785	3.429	3.606	6.833	6.789	n.a.
Bank adv.	£bn.	14.488	13.731	14.079	n.a.	n.a.	n.a.
Basic matls. d	1970=100	260.4	258.4	256.2	222.1	222.5	222.5
Manuf. prods. d	1970=100	204.9	201.5	198.9	173.0	187.6	187.6
Retail prices	1970=100	147.8	146.1	144.2	119.9	116.9	116.9
Terms of trade	1970=100	81.0	78.7	81.2	81.5	78.2	78.2
Wage rates	July 72=100	200.4	196.8	191.2	138.9	137.1	137.1

	Unit	1976			1975		
		Dec.	Nov.	Oct.	Dec.	Nov.	Oct.
Retail sales val**	1970=100	186.5	180.5	177.8	158.9	139.8	139.8
HP debt	£m	2,320	2,388	2,361	2,350	2,312	2,312
Indust output**	1970=100	100.6	101.5	101.5	102.8	106.6	106.6

	Unit	1976			1975		
		Jan.	Dec.	Nov.	Jan.	Dec.	Nov.
Trade and industry	'000s	115	107.5	125	127	127	127
Comm. vehicles*	'000s	27.3	33.2	32.2	34.1	40	40
Imports f.o.b.	£bn.	1,964	1,966	1,832	1,836	1,748	1,748
Exports f.o.b.	£bn.	1,785	1,767	1,565	1,573	1,386	1,386
Visible trade balance	£bn.	-0.179	-0.199	-0.267	-0.265	-0.362	-0.362
Steel (weekly average)	'000 tonnes	392	310	383	433.2	402	402

	Unit	1976			1975		
		Dec.	Nov.	Jan.	Dec.	Jan.	Dec.
Man-made fibres*	m kgs.	46.2	48.13	46.85	37.74	32.3	32.3
TV sets	'000s	217	221	211	208	251.7	251.7
Radio-gramm.	'000s	185	354	365.5	266	414.4	414.4
Houses completed†	'000s	28	28.1	26	24.3	22.4	22.4
Bricks*	millions	387	459	418	336	465	465
Cement (weekly average)	'000 tonnes	238	339	329	255	341	341

	Unit	1976			1975		
		Nov.	Oct.	Nov.	Nov.	Nov.	Nov.
Petroleum†	m tonnes	6.88	7.06	6.81	8.32	7.55	7.55
Electricity	'000s	91	91	92.8	105	101.3	101.3
Washing machs.	'000s	19.2	95.6	81.2	45.9	70	70

	Unit	1976			1975		
		Oct.	Sept.	Jan.	Oct.	Jan.	Jan.
Furniture**	1970=100	150	150	153	127	135	135
Raw cotton	'000 metric tonnes	2.65	1.72	2.3	2.32	2.27	2.27
Engng. tools on hand†	1970=100	103	106	115.5	123	136.7	136.7
Raw wool	m kilos	1.7	9.5	9.2	8.6	9.7	9.7
Machine tools†	£m.	26.9	27.3	24.7	28.7	18.5	18.5

	Unit	1976			1975		
		4th qtr.	3rd qtr.	to date	4th qtr.	Year	Year
Consumer spending	1970 values	8,790g	8,814	35,645	9,037	35,741	35,741
Motor trade turnover	1970=100	153	151	146.5	121	119	119

	Unit	1976			1975		
		3rd qtr.	2nd qtr.	to date	3rd qtr.	Year	Year
Bldg. and civil engineering*	£bn.	3,087g	2,920	8,661	2,673	7,628	7,628

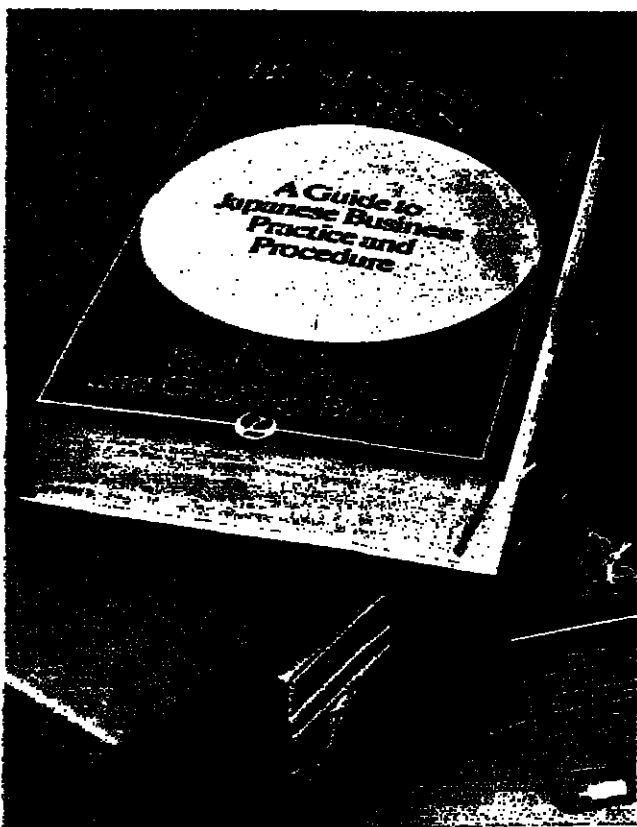
	Unit	1976			1975		
		4th qtr.	3rd qtr.	to date	4th qtr.	Year	Year
Production + Deliveries + Net sales + Consumption**	Seasonally adjusted	8,790g	8,814	35,645	9,037	35,741	35,741
Deliveries, U.K. made and imported sets	From May, 1975, onwards new basis of calculation refers to advances to U.K. public and private sector. Historical figures on new basis not available.	8,790g	8,814	35,645	9,037	35,741	35,741
Prices, including cooker, grill, toaster, etc.	Value of output, United Kingdom not seasonally adjusted	8,790g	8,814	35,645	9,037	35,741	35,741

	Unit	1976			1975		
		4th qtr.	3rd qtr.	to date	4th qtr.	Year	Year
Production + Deliveries + Net sales + Consumption**	Seasonally adjusted	8,790g	8,814	35,645	9,037	35,741	35,741
Deliveries, U.K. made and imported sets	From May, 1975, onwards new basis of calculation refers to advances to U.K. public and private sector. Historical figures on new basis not available.	8,790g	8,814	35,645	9,037	35,741	35,741
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	Unit	1976			1975		
		4th qtr.	3rd qtr.	to date	4th qtr.	Year	Year
Production + Deliveries + Net sales + Consumption**	Seasonally adjusted	8,790g	8,814	35,645	9,037	35,741	35,741
Deliveries, U.K. made and imported sets	From May, 1975, onwards new basis of calculation refers to advances to U.K. public and private sector. Historical figures on new basis not available.	8,790g	8,814	35,645	9,037	35,741	35,741
Prices, including cooker, grill, toaster, etc.	Value of output, United Kingdom not seasonally adjusted	8,790g	8,814	35,645	9,037	35,741	35,741

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LABOUR NEWS

Most strikes concentrated in larger industries

BY CHRISTIAN TYLER

STRIKES in Britain are heavily concentrated in a few large dispute-prone industries—mining, the docks, motor manufacture and shipbuilding—according to a statistical survey by the Department of Employment published today.

The survey tends to show that Britain's reputation as being unusually strike-prone is due to the well-publicised but record of only a few industries.

Earlier this week Mr. Michael Foot, Employment Secretary, said the same research was showing that about 90 per cent of British firms had no strikes at all.

The other important conclusion of the survey is that strike-proneness increases with the size of plants. An analysis of causes shows that pay disputes account for over half of all stoppages, and the great bulk of working days lost through strikes.

Details of the survey which covers the years 1966-74, are published in the February issue of the Department of Employment Gazette.

Its authors are planning to follow it with a series of articles attempting to analyse strike-proneness by occupation, region and industry. They will want to try to establish, for instance, why women go on strike much less than men and why some regions have worse reputations than others. These articles may try to provide explanations for the statistical facts thrown up by the survey.

Today's figures show that the worst hit industries in terms of number of stoppages per employee were the docks—a long way first—followed in order by

INCIDENCE OF STOPPAGES BY SIZE OF PLANT

Plant size	Number of stoppages per 100,000 employees	Number of working days lost per 1,000 employees
11-24	8.9	14.8
25-99	19.2	72.4
100-199	23.0	155.0
200-499	25.4	329.1
500-999	29.7	719.4
1,000 or more employees	28.7	2,046.1

Hard line on non-TUC unions

By Our Labour Correspondent

TUC OPPOSITION to new non-affiliated unions in the soon-to-be-nationalised shipbuilding and aerospace industries intensified yesterday on the TUC General Council.

The Council supported a motion from Dan McGavvey, president of the Boatmakers' Amalgamation, suggesting that representations be made to the two organisation committees, set up by the Government to supervise nationalisation and become management boards after vesting in their first year, with proportionately less for higher-paid workers. The present maximum for a staff nurse is £2,646 a year and for a ward sister £3,552 a year.

But lodging charges for resident nurses are also to go up by between £1 and £1.25 a week under the agreement.

Nurses received an average 11.2 per cent pay increase last April, but during the 12 months prior to that their pay rose by more than 50 per cent as a result of allowances and the special case Halsebury award.

This week's settlement will add £11.8m. or 10.5 per cent to the pay bill. Some 16,500 other Health Service employees, such as physiotherapists and radiographers, will also receive a 2.6 rise.

Negotiations are still continuing for the rise to be paid to student nurses in Scotland under 18 years of age. The deal is in line with all settlements made in the public sector since the pay policy came into force last August.

A TUC guide to occupational pension schemes, intended to explain to union officials how the private pension sector operates, was published yesterday.

Filton strike over jobs cut

By Our Labour Staff

PRODUCTION WORKERS at the Bristol Aircraft Corporation's Filton works in Bristol, held a two-hour strike yesterday, and prevented 3,000 white-collar staff from starting work on time by picketing the factory gates in protest against planned redundancies.

BAC wants to cut 1,200 jobs in its commercial aircraft division between now and May, including more than 400 at Filton, and letters of dismissal are expected to go out to-morrow.

Mr. Des Lansdown, vice-chairman of the Filton shop stewards' joint committee, warned yesterday that further action was likely at the factory. BAC unions are also planning a protest demonstration in London on Tuesday.

Union of Journalists, which said the outcome could have a significant effect on the terms of employment of all newspaper editors. It said an editor could not be made redundant from a flourishing newspaper.

The tribunal accepted the paper's viability and survival was the prime consideration of the redundancy decision. It would have been wrong to dismiss either of the junior reporters, and the sub-editor had to stay because of his particular abilities. So Mrs. Rogers, or carried out in the manner the chief reporter had to go.

It was the chief reporter, there was a serious risk Mrs. Rogers would not have been able to sustain the increased workload. Her claim of unfair dismissal was backed by the National

reasonable and to that extent fair. But there was no previous consultation with Mrs. Rogers, 46, of Rickingham, Suffolk, or any previous warning that she was to be made redundant.

This could be resolved between Mrs. Rogers and the paper's owners, World Media Ltd.

Unions closing loophole after Ferrybridge ruling

BY OUR LABOUR STAFF

THE FOUR trade unions party to the closed-shop agreement in the electricity supply industry are expected shortly to instruct their officials and stewards to make sure that there is a proper check of membership in the wake of the industrial tribunal ruling on the so-called "Ferrybridge Six".

The tribunal found that the six, all members of the small non-TUC Electricity Supply Union, were unfairly dismissed because other workers in the industry had escaped the provisions of the closed-shop agreement.

The ruling was picked because it is understood that a third of the largest unions to have applied for a certificate of independence so far. The Confederation of Employee Organisations, which championed the "Ferrybridge Six", is engaged in a many-sided struggle against the provisions of the Act, which it feels discriminates in favour of TUC-affiliated unions.



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Gilbert says BR must save on running and manning

BY JOHN HUNT

Insurance levy 'for Board to decide'

Financial Times Reporter

THE POSSIBILITY of a levy being imposed on insurance companies as a result of the activities of the Policyholders Protection Board was raised in the Commons yesterday by Mr. Roger Moate (C, Faversham).

Mr. Stanley Clinton Davis, Under-Secretary for Trade, told him: "This is a matter for the Policyholders Protection Board who, in any case, are not empowered to impose such a levy before April 1, 1978."

The Minister recalled that the Policyholders Protection Board had provided an indemnity under section 15 of the Policyholders Protection Act 1975 to enable the provisional Liquidator of Fidelity Life Assurance to make interim payments to certain policyholders. He understood that the special manager had already written to these policyholders to explain the arrangements.

"The Board has not yet decided whether to exercise its powers to protect policyholders under section 16 of the Act."

Mr. Davis stated that the hearing of the petition, presented in the High Court on July 23, 1976, to wind up Fidelity Life, had been adjourned until March 8, 1978.

In a further reply to Mr. Moate, Mr. Davis stated that the levels of remuneration for members of the Policyholders Protection Board had been raised with Mr. Peter Shore, the Secretary for Trade, but no decisions had yet been taken.

'Manpower' covers both sexes

A LABOUR Peer's suggestion that the term "manpower" might produce a sense of sex distinction among women, found little support in the Lords yesterday. Lord Leatherland suggested that the Manpower Services Commission should change its name to either "Personnel" or "Manpower and Womanpower" Services Commission.

Otherwise, he argued, women could not be admitted to might be given the impression Women's Institutes—but there they were not entitled to its

benefits. It could be contrary to the Sex Discrimination Act.

Government employment spokesman, Lord Jacques, pointed out that the Act did not outlaw words—only discrimination. And "manpower" was one of the many words which covered both sexes.

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ter to tell Sir Richard Marsh, the British Rail chairman, that the fare increases were not in accordance with Government policy. He should also ask the chairman whether BR was seriously implementing the Government's policy of transferring freight from road to rail.

Dr. Gilbert told him that many of these questions would be answered in the Government's consultative document on a national transport policy which would be published soon. The British Rail view was that if it held down fares, it would only produce an increase in its deficit.

"On the question of rail fares, British Rail has to deal with a situation in which the deficit has been going up and up," he went on. "Some time or other, a halt had to be called to this."

Mr. Robin Corbett (Lab., Hereford) pointed out that in a new town such as his own constituency, many people had to travel into London by rail to work. He suggested that the Chancellor of the Exchequer should offer tax relief on com-

muter fares to make sure that the greatest relief went to those in greatest need.

Although Dr. Gilbert promised that the Chancellor would take this into account, he emphasised that it did not follow that relief gave most help to those in the greatest need. In fact, it gave the largest benefit to those with the biggest incomes.

The Conservatives attacked the Minister over the Government view that the major proportion of rail subsidies went to the better-off section of the community.

Mr. Roger Moate (C, Faversham) pointed out that hardship was being caused by many families by the continual rise in rail fares and suggested that it seemed to be a new form of class warfare.

But Dr. Gilbert argued that it was illogical for the Conservatives to urge a reduction in the rail subsidy at the same time as calling for lower fares. He told them that in 1975-76 the rail subsidy was double what it had been in 1973-74.

Mr. Norman Fowler, "shadow" Transport Minister, complained that, in addition to the fare increases, commuters were having to pay higher taxes to meet the rail deficit. He stressed the need for greater efficiency within British Rail and called for a renewed effort to solve the problem of ever escalating fares.

However, Mr. Gordon Oakes, Under-Secretary for the Environment, who made the announcement in the Commons yesterday, declined to say whether the report would be published before the District Council elections take place in May.

He said it would be published as soon as possible but the report would depend on the size and complexity of the report.

Mr. Michael Morris (C, Northampton S.) asked whether the proximity of the local elections meant that there would be an "inspired and engineered delay" in publication. But Mr. Oakes told him that the date of the elections did not enter into it.

Labour MPs wanted to know if the Government would be putting forward early legislative proposals as a result of the report. In a cautious reply, Mr. Oakes said that this would depend on its contents. He promised the matter would be dealt with very urgently.

The Tories urged him to remember that the present rating system fell particularly heavily on single person households and retired people. The Minister assured him that the Government was well aware of the burden of rates and that was why the report had been called for.

A COMMONS motion calling for the removal of Mr. Justice Melford Stevenson, from the judges' bench was withdrawn yesterday.

Mr. Marcus Lipton, Labour MP for Central Lambeth, its sponsor, said he had done this "in view of the judge's expressions of regret." The judge had issued a statement the previous day in which he said he regretted what he had said about three Appeal Court judges.

Nor did he accept the argument that non-executive directors would be taking on an impossible task if they had to shoulder more responsibilities. They would have the power to investigate the way a company was operating, he pointed out.

And they would have to confirm their confidence annually in the company—or else withhold their signature from approval of the balance sheet.

It would mean, in effect, said Sir Brandon, a more effective supervision of top management—and with every day that passes, it becomes more obvious how necessary that is.

There was nothing essentially wrong with British management, or the British work-force. But there were serious difficulties which arose from the way both were organised.

What he would like to do would be to extend the role of the non-executive director to constitute effective management audit. But he was not sure that this country was ready yet to go straight to the sort of supervisory Boards seen in some other countries.

Anticipating the argument that his proposals would tend to split a Board, Sir Brandon maintained that even if this were so, it would have no harmful consequences.

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Council finance report due soon

BY JOHN HUNT

THE LAYFIELD report on local government finance should be received by Mr. Anthony Crosland, the Environment Secretary, "very shortly indeed," the Commons was told yesterday.

The committee was set up to look into the whole system of local authority finance, particularly the rating system, after widespread criticism that the present method of rating was unfair.

However, Mr. Gordon Oakes, Under-Secretary for the Environment, who made the announcement in the Commons yesterday, declined to say whether the report would be published before the District Council elections take place in May.

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Giro expansion proposals fiercely attacked

THE GOVERNMENT'S proposals to extend the powers of the Post Office Giro were sharply attacked in the Commons yesterday.

In the Commons yesterday, "as Giro made a huge loss, money would either have to be found from the depositors, if the Government or the P Office might have to pay the Post Office losses."

Mr. Cecil Parkinson (C, Hereford S.) claimed that director of a commercial bank which tried to operate with Giro balance sheet would prove "fraudulent trading."

He added: "The Government speaks with two voices. On the one hand, it says that it is trying to launch its on the unsuspecting public."

Sir Paul Bryan (C, Howd) said that Giro could do long have aspirations to being a poor man's bank. It was, in fact, the bank of the most sophisticated customers. Three-quarters of them had accounts with other banks as well.

"The trade unions wanted Giro in the early days, but now most of them do not use it. Ma Labour MPs thought it would be a good idea. Government departments, but they hardly use it all," he said.

Mr. Anthony Nelson (C, Chichester) said giving the Giro a banking services would "enrich a dirty dog of a Bill which they want to put on the statute books as a result of the report. In a cautious reply, Mr. Oakes said that this would depend on its contents. He promised the matter would be dealt with very urgently."

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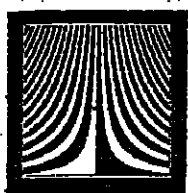
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The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

ELECTRONICS

Protects costly equipment

ELECTRONIC equipment users who have to impose their expensive and sensitive loads on to mains supplies which are subject to neighbouring sudden high load switching with its inevitable polluting effects could use a new design of ac voltage regulator.

Application areas include airport traffic control centres and industrial laboratories where sensitive and accurate electrical or electronic appliances are used.

Brentford Electric of Crawley

has designed the ac solid-state regulators on novel principles. They have no moving parts and are not only able to provide a completely smooth control, but also unusually fast response to reaction time of less than 100 ms for all load and line changes.

Capable of dealing with a +15 per cent. to -15 per cent. variation on the input voltage of 240, they will maintain any preset output voltage in the 200 to 250 range at ± 0.25 per cent. This is achieved by using a thyristor

chopper circuit in which static switches are turned on and off accurately at high frequency. Filters are provided to remove the switching frequency and other harmonic distortions in the output waveform.

Initially available in single phase, the units are marketed in 10-20-50-100 kVA throughput ratings. All are 1800 mm high and range in width and depth from 600 mm to 1400 mm square.

Brentford Electric, Manor Royal, Crawley (0623) 27755.

AGRICULTURE

No bruises on the tomatoes

ENGINEERS OF the Israeli Ministry of Agriculture (Ha'Kirya, Tel Aviv) are reported to have built a combine capable of picking tomatoes for table use. Combines have been used in Israel and in other countries to harvest tomatoes for industrial processing, but the Israeli-developed machine is said to be the first designed to pick export-quality table tomatoes without bruising their skins.

The new combine is already in use in settlements in the Arava desert, south of the Dead Sea, which produces tomatoes throughout the winter months.

Spreading it on hilly land

STATED TO be specially suited to hilly land, the Opti-Miller manure spreading trailer will be available in the U.K. next month. It is made by Bernard Krone, at Spelle, West Germany.

A twin vertical auger dis-

charge assembly that reciprocates slowly across the width of the trailer, gives a fine spread adjustable from eight feet two-and-half inches to 26 feet. Lateral movement of the augers is by a shaft drive via a Krone transmission—stated to require less power than chain drive, and to be more reliable. The reversible moving floor is controlled from the tractor cab. The chassis is of welded steel, and the trailer has a timber body, drop sides and tailboard. A three-and-half-ton model will be available which requires only a 20 hp tractor—the spreader is powered from the pto.

Bernard Krone (U.K.), Lady Lane Industrial Estate, Hadleigh, Nr. Ipswich, Suffolk, IP7 6RQ (047338 2125).

Hydrostatic steering for tractors

THE GRADUAL change from power-assisted to hydrostatic steering in the world tractor market has led Burman and Sons, Wythall Lane, Birmingham B38 8AB (021-458 2081) to develop the H100 hydrostatic steering unit. It is stated to be suitable for use in agricultural and industrial tractors, as well as for earthmoving and motorway construction vehicles.

Measuring some nine inches long by five inches in diameter, the unit has been designed for a medium tractor specification of 100 millilitres per revolution—this can be extended in either direction by an interchange of metering units.

The system comprises a valve assembly plus a metering unit. Internal leakage has been minimised by the use of a ball plunger to control the fluid passing to the cylinder, which moves the road wheels.

PROCESSES

High-speed jet dyer cuts costs

WHAT IS described as "a considerable advance" in jet dyeing technology has been achieved with the development of the Ventura Sprint by Platt Longclose, Crescent Works, Dewsbury Road, Leeds LS11 5LH (0533 709631).

A new arrangement in the area of the jet nozzle enables liquor ratios to be reduced below 8:1 with the jet fully submerged. Fabric speeds up to 450 metres/min. can be reached, to give increased loadings particularly on lightweight fabrics.

Rapid rates of heating and cooling result in significant savings in power, water consumption and effluent, says the company, which is a member of Stone-Platt Industries.

Dyeing process times as low as 60 minutes have been satisfactorily achieved on polyester fabrics, it is claimed.

Shuttleless loom for wire mesh

THE RANGE of Rapiet wire weaving looms made under licence by Wilson and Longbottom, Barnsley, Yorks. S70 1AS (0226 6621) is being extended.

Apart from the currently available heavy mesh machine, a medium weight version is now undergoing mill trials and will be marketed at the end of the year. The company has also

acquired the sole manufacturing rights for a light-weight loom suitable for insect screenings and the lighter type of household woven wire products.

Developed by the Lansdowne Steel and Iron Company, Morton, Penn., U.S., production of the loom will commence immediately in Barnsley, and a model will be available for inspection by the trade in about three months.

The company claims that its range enables a high percentage of the woven wire market to be equipped with modern high-speed equipment, probably for the first time. A high-speed beaming machine is also being built which can be used in conjunction with the Rapiet looms, and with all existing wire weaving looms. In the company's opinion, there are still many instances in the industry where looms are losing valuable production time because they also have to act as a beaming machine.

Phosgene code of practice

LATEST Chemical Industry Safety and Health Council Code of Practice for Chemicals with Major Hazards provides a guide for the operation and design of chemical plants containing phosgene.

Phosgene, a highly poisonous gas, is used for the manufacture of intermediates in the dyestuff industry and is also known as carbonyl chloride.

The code has been prepared by the Organics and Mond Divisions of ICI, and is available (at £2.50) from the Chemical Industries Association, 93 Albert Embankment, London SE1 7TU.

PRINTING

Reducing set-off

THE NEED for anti-set-off spray in carton board and paper printing, is lessened by an offset ink series introduced by Lorilleux and Bolton, Ashley Road, London N17 8LG (01-588 3721). They are primarily for applications where secondary processes could be adversely affected.

Suggested applications are in the production of record sleeves, cartons, catalogue covers, book jackets and similar products where varnishing or lacquering are used to improve the finish and impart greater rub resistance properties.

The inks, marketed under the brand name Ranger, are stated to provide good print definition and low odour levels. By reducing dependence on anti-set-off compounds they produce a receptive surface for secondary processes.

The maker says the inks have been used for four-colour work on paper and the final stack of sheets has reached 3,000—with no sign of set-off; coated chip board for cartons has been printed and stacked to a height of four feet with no spray used—and without problems.

DATA PROCESSING

Deficit is growing

WITH IMPORTS of all types of computing equipment in 1975 tending towards a total of about £370m, and exports trailing far behind at an estimated £200m, there is little cause for rejoicing in the sponsoring branches of the civil service, particularly since export performance could well have been worse by about £5m, compared with 1974 and that despite the falling pound.

The most recent figures available from the Department of Industry which are for the third quarter last year, only serve further to underline what Mackintosh Consultants says in its recent review of the European peripherals scene—that the heavy burden of imports from the U.S. is causing acute concern in European countries suffering from balance of payments problems and that inevitably some countries will take action.

It is always rather difficult to ascertain from the DoI figures exactly what part of the imbalance

in computer trading should be ascribed to peripherals arrivals in the U.K. However, total exports of peripheral equipment in 1975 were probably around the £120m. mark while total imports, so far as can be seen, were around the same level. But sub-assembly imports, largely for peripheral manufacture, were around £280m.

It is apparent that far too much imported equipment is finding its way on to the home market and that the picture is not improving in the continued absence of any real U.K. presence in mini and micro computers and the appropriate peripherals.

Prospects look good

HAVING CHALKED up over 130 installations worldwide, the fast-selling ADABAS data base management system package is being adapted for use on ICL's 2900 range. Revealing this yesterday, Mr. Leonard Griffiths, head of the U.K. Adabas company, and of his own group, Associates, forecast that the two companies would show a 50 per cent. expansion of U.K. business in the current financial year.

Echoing a growing complaint in the computer industry, he cited the current shortage of sufficiently high-staffed staff as the main constraint on progress. Nevertheless, Adabas was now profitable after only 18 months in the U.K., with a customer base including ICI, Barclays Bank, Commercial Union, and British Rail.

Several new contracts with "organisations of similar stature" would be announced shortly, and overseas business would also show substantial growth.

The data base management system is a partially inverted file system with a high level of data independence. Facilities include multi-programming support, comprehensive back-up and recovery and an ad hoc query language called ADAS-CRIPT. Simplicity of use is also stressed.

ADABAS, 484 Burton Road, Derby DE3 6AL. Tel: 362382.

Holiday costs cuts

WITH A new real time reservation system making good progress towards implementation in the spring, Thomson Holidays has called in BIS Applied Systems, to evaluate the performance of the proposed system and identify areas for performance improvement.

Thomson wished to verify that the hardware and software facilities met the growing demand for services.

A BIS consultant assigned to the project was able to establish

that the configuration will handle the business at cut-over in the spring of 1976, and has produced a plan of the hardware upgrades necessary in the future.

During the course of the study, he was able to show areas where significant cost-effective savings could be made in the software design. This was achieved using BIS "Configuration Planning and Control" (CPC) and its real-time sub-set BIS "Technical Design Control" (TDC). He applied them to the network, processor, and data base elements of the project.

This work has provided Thomson with an initial configuration plan and an on-going method of continually refining the plan as changes in the business load occur. The reservation system itself has been designed with monitoring and statistics routines to permit verification and refinement of the projections, with reference to the actual performance.

BIS is on 01-928 9511.

Language for chips

EASIER programming of the M6800 microprocessor becomes possible with the introduction by Motorola of MPL/I high level language compiler.

First availability in the U.K. is on the GE-Honeywell Time-sharing networks but other services are expected to follow. In-house versions will also be made available along with a resident MPL/I compiler for the Exor-ciser (the Motorola hardware and software development tool).

MPL/I is a user-orientated language based on PL/I, a widely known and used language, and adapted to simplify the translation from the designer's functional requirements to the M6800 operating program. It is claimed to be particularly well suited to writing programs containing mathematical computations.

Engineers using microprocessors who may be unfamiliar with any form of programming should, states Motorola, find that their learning time is shortened. More from Empire Way, Wembley, Middlesex HA9 0PR (01-902 8836).

targets. The gun is loaded and "fired" in the normal way and instead of a shell, a stream of laser pulses is projected at relatively low power towards the target. A detector registers any hit and the data is radioed back to the gun for display in the sight.

Solartron states that it is also developing systems for anti-aircraft practice (Simflak) and for use in high speed aircraft for attack simulation, Simstrike. More from the company at Farnborough, Hants (Farnborough 44533).

Finds pipe and conduit

MEASURING only 5 x 3 x 4 inches and working from a 9 volt PP3 (pulsed) coil associated metal detector from West Germany which should prove a useful tool for plumbers, electricians, gas fitters and anyone needing to detect metal objects concealed in a non-metallic layer to a depth of a few inches.

The system is basically an energised (pulsed) coil associated with a pick-up coil, the field being modified by the presence of metal.

Sensitivity is adjusted by a thumbwheel used in conjunction with a lamp, which comes on as the device approaches metal. Starting with maximum sensitivity it is then possible to "home in" on the pipe or conduit while reducing sensitivity. An added feature is that if the conductors are carrying current the lamp will flash. Detection distances are about two inches for mains lead and a foot for a steel girder.

Called the Electrometalloscop 70, the unit will retail for about £10.50 and is distributed by 8 Scrubs Lane, London NW 10 6QR (01-969 5201).

Success for Simfire

WITH an order from the Middle East, Solartron's total of business for its Simfire gunnery training simulator is now running at £5m. per annum. Some 50 per cent. of sales are exported and the system is in use by 28 armies throughout the world. Simfire is a means of performance target practice without extending rounds or damaging

Gas

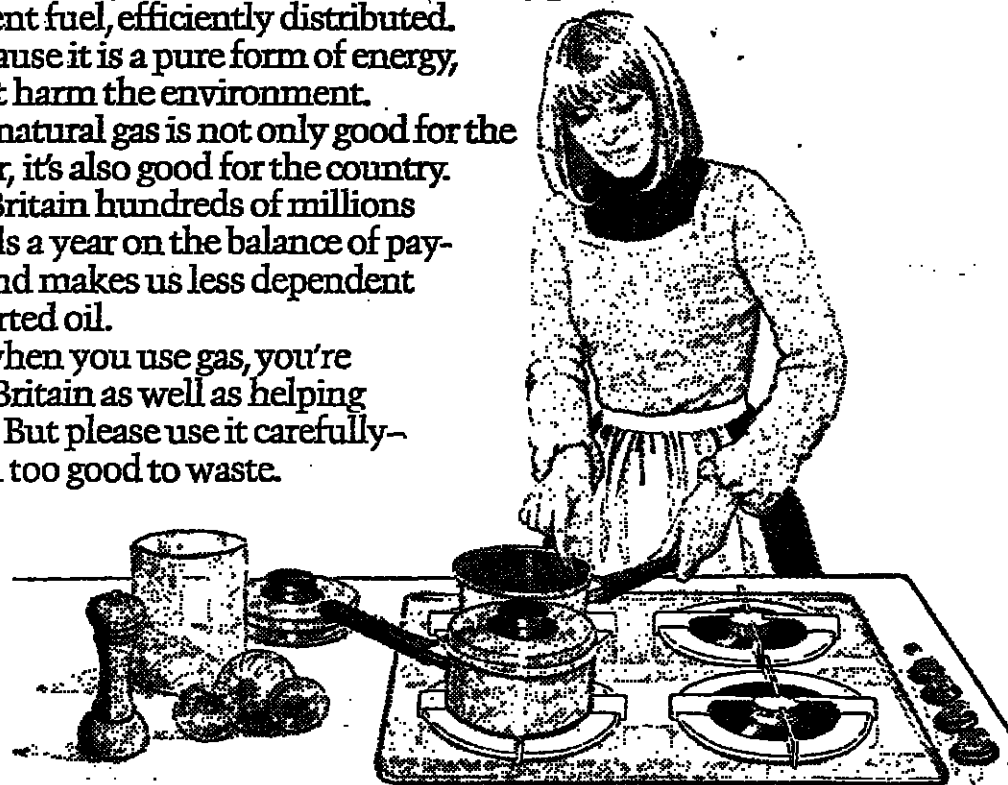
OVER 13 MILLION CUSTOMERS CAN'T BE WRONG.

Millions of people have chosen to use gas to heat their homes and cook their meals—and with good reason.

Gas is clean, controllable and reasonably priced. It is an efficient fuel, efficiently distributed. And because it is a pure form of energy, it doesn't harm the environment.

But natural gas is not only good for the customer, it's also good for the country. It saves Britain hundreds of millions of pounds a year on the balance of payments, and makes us less dependent on imported oil.

So when you use gas, you're helping Britain as well as helping yourself. But please use it carefully—it's much too good to waste.



HOW YOU CAN SAVE GAS AND MONEY

- 1 Use your central heating time clock sensibly
- 2 Turn your thermostat down a degree or two
- 3 Turn off unnecessary radiators
- 4 Insulate your roof space and hot water system
- 5 Have your gas equipment properly maintained and serviced
- 6 Ask at your local showroom for further information about how to save gas—and save money



BRITISH GAS

The socio-economic classification was invented in the 1920's.

That was before the war.
Before the Welfare State.
And before Arthur Scargill.

When the ABC economic classification was introduced it was a great leap forward. For the first time, readership could be analysed for quality as well as quantity.

But good though it was, it could not foresee the dramatic changes in distribution that were to come.

A's and B's were supposed to be the prosperous upper-middle classes. C's were said to have "incomes below or on a par with normal subsistence level." Since then, the system has been slightly modified.

However, during the same period the distribution of wealth has not been slightly modified—it has completely and irrevocably turned on its head.

Successive government policies, either by accident or design have actually changed the distribution of wealth in Britain. And obviously the people who are suffering most are those whose wealth is being redistributed. That doesn't mean a small isolated group of landed gentry, it means anyone whose income is above the norm.

There are many contributing factors to this reversal, but the causes are history, the results are more meaningful.

REDISTRIBUTION OF WEALTH

Between 1972 and 1975

the retail price index increased by 56% or to put it another way, during those three years the purchasing power of the pound fell by 36%.*

And in spite of all efforts a high level of inflation is likely to continue for some time.

Inflation, contrary to popular belief, doesn't hit the man without money hardest. It penalises and impoverishes the wealthy. They have most to lose.

Even the 'anti-inflation' £6 per week pay limit is biased towards C1C2's. No increase is at present available to top income earners.

Add to this the successive increases in personal taxation, and it's easy to see which section of society is paying the price of social and economic equality.

WHAT CAN BE DONE?

In personal terms, this is something that we have to accept, whether we like it or not. There's not much, short of emigrating or dropping out, we can do about it.

But in business, particularly in production, marketing and advertising, there is something that can be done.

Quite simply, it is to recognise the changing shape of the market place and build and promote your product to suit it.

The main point to appreciate is that the

classic 'rich' are no longer automatically the prime market for all 'AB' type products. Because today over two thirds (67%) of the top income households are now C1 C2 or D.**

THE POOR RICH OR THE RICH POOR?

The classic 'socio-economic group' method of market analysis has been stood on its head. Since 1972 the market of so called C1 C2 households earning over £3,500 has increased by a staggering 320%***.

This is an astonishing re-adjustment of income. Remember too that C1, C2's tend to have far less of their incomes committed to regular outgoings like mortgages and school

and you will see why this group is so vitally important.

	AB	%	C1C2	%
	'000 increase	'000 increase		
Brandy Drinkers	72 1040	1927		
	75 2546	145	8059	318
Colour T.V.	72 374	668		
	75 1393	274	4312	546
Unit trust holders who increased savings in the previous 12 months.	72 191	206		
	75 218	14	254	23
Holders of property insurance who took out policies £2000+ in the previous 12 months.	72 41	57		
	75 69	68	227	298

TGI 1972 and 1975

THE NEW GROWTH MARKET

It appears that more and more 'AB' type products are being bought by C1C2's!

Here we have what must be a key growth area for most luxury and up market products. In spite of the current recession, it offers a unique opportunity for the astute manufacturer or marketing man to increase his sales.

Remember too, that these figures represent new spenders coming into the market. This is where the long term growth must lie.

In every single one of the following AB type areas the Evening News readers out-

number the Evening Standard readers:

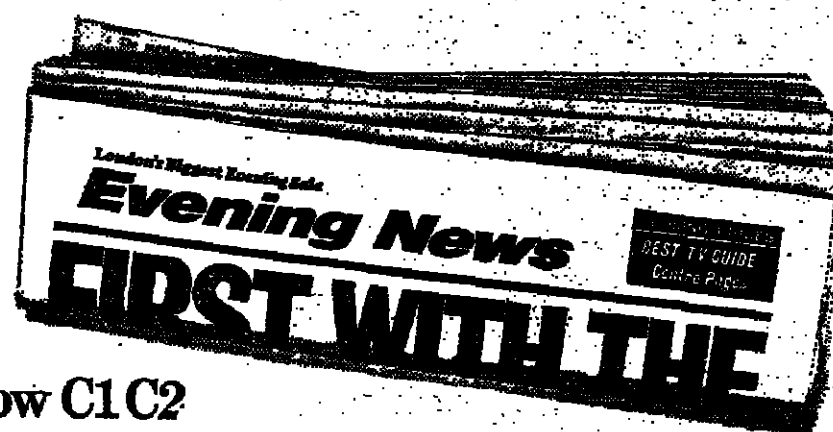
No. of readers who:	Evening News	Evening Standard	Difference
Have credit cards	408,000	364,000	44,000
Are golf players	175,000	92,000	83,000
Enjoy sailing	59,000	48,000	11,000
Ate out in a restaurant (Weekly-evening)	307,000	296,000	11,000
Take alcoholic drinks	2,283,000	1,469,000	814,000
Drink brandy	987,000	707,000	280,000
Drink liqueur	1,192,000	841,000	351,000
Drink whisky	1,255,000	847,000	408,000
Bought a car in last 12 months	441,000	228,000	213,000
Have colour T.V. in the home	740,000	516,000	224,000

TGI 1975

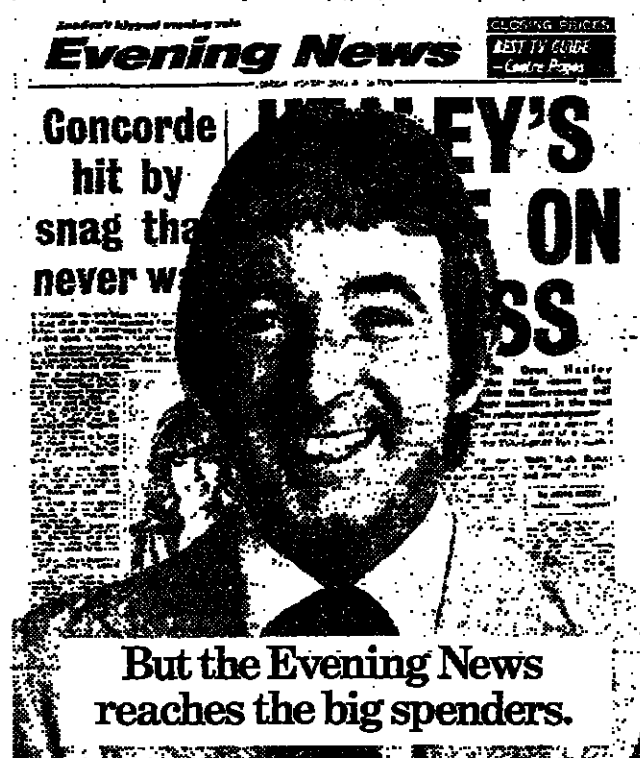
In truth, this analysis of what is happening with the country's wealth won't come as a surprise to most observers.

It is a trend that has been apparent for some time.

But now there is an opportunity to make this redistribution work for you, instead of against. Ring Laurie Large on 01-353 6000 for more details.



The Evening Standard may reach the 'wealthy.'



But the Evening News reaches the big spenders.

fees, etc. Much of their new found wealth is earned to be spent almost immediately.

WHAT'S HAPPENED IN LONDON

And what has happened in the country as a whole is equally true of London.

Remember that the London market accounts for nearly 30% of the total UK market.

The traditional method of market analysis reveals that the Evening News and the Evening Standard have a similar number of so called "wealthy" AB readers.

	Evening News	Evening Standard
A	83	99
B	302	271
C1	587	482
C2	761	391
D	505	232
E	124	31

TGI 1975

Where the Evening Standard loses out is that it is relatively short on the new rich—the prosperous C1C2's. The Evening News has 475,000 more of these readers.

Compare the change in consumption of AB's and C1C2's over the last three years

Evening News

Because the majority of top income earners are now C1 C2

Sources:
*Central statistical office
**Mirror Group Newspapers
Household Readership Income
and Consumption Study 1975
***TGI 1972, 75

فكرنا اننا الامل

The Marketing Scene

BRENTFORD NYLONS

Allardyce pays up

BY ANTONY THORNCROFT

THE RISE and fall of Brentford Nylons is one of the most romantic stories in advertising history. It began in 1960 when an advertising rep, at the Daily Express, ran a friend of the small agency of Allardyce Hampshires asking him to handle an advertisement for an Armenian Shepherd. The agency agreed and placed a £30 Bargain Spot.

By the early seventies the Armenian, Kaye Metrebian, was controlling Brentford Nylons and spending £3m. a year on advertising, or around 40 per cent of Allardyce-Hampshires' billings. So close was the relationship that George Smith moved over to the company as marketing director, although he remained employed by Allardyce.

Now Brentford Nylons has called in a receiver and Allardyce, the most profitable agency in the Kimphor Group, is facing a maximum post-tax loss of £105,000 on the advertising which the media have carried this year and now expect payment. Managing director Don Bailey is not bitter—over the years the agency has gained tremendously from Brentford Nylons' cash—and he hopes that the receiver will give the go-ahead for more advertising while assessing the financial state of the company.

Brentford Nylons' problems are the result of a merging of misfortunes—a strike which delayed its new factory; the

three-day week; the illness of Metrebian; the fall in consumer spending; foreign imports. By last year its advertising had been reduced to £2m., about half of which was on television and the remainder in direct response advertisements in the Press. Allardyce was still placing new advertisements last Monday.

Although the main media had been warned some time ago to be careful of Brentford Nylons no one stands to lose, except Allardyce. Bailey says that it always followed a businesslike relationship with its biggest client so the unpaid debts only represent the advertising placed in January—due for payment yesterday—and the bookings in February and Bailey says everyone will be paid.

There is, of course, the likelihood that the receiver may get some cash for the agency, and it was, to some extent, insured against such losses. In addition Bailey says that in the last six months Brentford Nylons has only contributed 7.5 per cent of the agency's revenue (it now has billings of £10m.).

Since Allardyce has always paid Brentford's advertisement bookings on time, Bailey is hoping that the media will accept future advertising for the company. Even so it is a sad end to a profitable relationship, and which is battling to reverse a profits fall in its last report, and the prediction of a loss on the year.

Marketing reaches the tyre market

Dunlop's £1m. drive

BY ANTONY THORNCROFT

NEXT week another heavy TV advertising campaign starts for Dunlop's Worldbeater, launched in the autumn with the slogan "the tyre that went round the world not once, but twice, with tread to spare", and the assistance of a £500,000 TV and poster boost.

Dunlop will be spending a further £250,000 on this reinforcement campaign, and in its first year the Worldbeater seems certain to become the most heavily supported tyre ever in the U.K., with over £1m. invested in its promotion. The making of the TV commercials alone took 18 months and cost over £80,000. There was also a trip to Ham-

burg for the 300 key outlets in the tyre trade, where Dunlop had the delicate task of getting the specialist distributors (now controlling two thirds of tyre sales) to take the Worldbeater, but not at the expense of its other tyres.



Worldbeater tyres negotiating Turkish deal while making the most expensive TV commercial of 1975, which was given the go-ahead by Keith Pybus, right.

So far the investment is paying off, with the initial demand above target and even the tyre distributors owned by competitive manufacturers taking the Worldbeater. There are cases of customers asking for the Worldbeater by name, almost unheard of in the tyre business. The trouble is that motorists are delaying the purchase cycle for new tyres to around every two years, so it will take some time to see the strong advertising reflected in the consumer franchise for Worldbeater.

But that is what Dunlop is all about. It is trying to introduce branding into an enormous—£100m. a year—market, and a market that has changed radically. In the last decade garages have lost much of their importance as a source of tyres, only accounting for a third of sales, while the specialists handle most of the remainder and the Super Stores have come from nowhere to hold over 5 per cent.

For the manufacturer the tyre replacement market, and therefore the need for branding, has become particularly important since the car manufacturers tend to shop around more among the suppliers, and drive such tough deals that last year the original equipment sector for tyres was worth only £36m. The greatest potential lies in getting motorists to ask for your tyres, and to develop international brands.

Four years ago Dunlop appointed Keith Pybus as its marketing manager for tyres and he set about establishing a brand manager structure on the lines of a packaged goods company. There were obvious problems. Tyres are a low interest, infrequently purchased product, with a strong technical base—the marketing men would always be in the thrall of the production engineers. But Pybus has built new brands to complete its range, and Worldbeater is the most considered off-spring of the new strategy.

Dunlop is the largest manufacturer of tyres in the U.K., with over 30 per cent of the market, but in the high mileage area it was losing out to Michelin.

aidance by Dunlop in the product, an effort to get at the really important elements, the stockists and the vehicle fleet purchasing officers, through a strong image. The advantage of branding, apart from passing the purchasing power to the consumer rather than the stockist—is that it up-grades tyres. Worldbeater is more costly, and more profitable, than the India. It seems that consumers have not down-traded in this area—they might have ignored Government legislation on tyre quality, but they are still going for the better-known brands rather than cheap imported tyres.

For a big tyre manufacturer the car replacement market is the vital area, but there is tremendous potential in exports and in the 235m. truck original equipment sector and the £124m. truck replacement business. There is also an encouraging growth from motor-cycles. British-made machines may have a minimal presence in the U.K., but the total market is growing again, and most motor-cyclists are so committed to their machines that they also care about the make of tyres. Dunlop last year introduced Red Arrow, a tyre designed for the 75,000 Super Bike riders in the U.K.—and the 1.5m. similar riders in the U.S. The Red Arrow is unusual, not only in using a name associated with the RAF free-fall parachutists (the Ministry of Defence approve because motor-bike speeders are likely to make good military personnel), but because it also bears a Red Arrow on the tyre. It is also sold in a double pack—a front and rear tyre—an innovation in this market.

The British Super Bike market may not seem very large but a pair of Red Arrow tyres costs £50 and the original sales target has been reached in half the target time, and in the U.S. the initial order has been sold before the advertising starts. The U.K. may have lost out in machines to the Japanese and the Italians but in tyres it still has the edge, and having the edge will in the future mean much more in the marketing alert tyre industry.

A REGENERATION STRATEGY

What Watneys now wants

BY KENNETH GOODING

WATNEY, the brewing subsidiary of the Grand Metropolitan group, has had to face one of the most difficult problems any marketing team could ever tackle—and also one that is comparatively rare. The company was victim of a word-of-mouth campaign which degenerated into a campaign which started as a whisper and built up to such a roar that some observers felt that the very existence of Watney as a "name" was at stake.

Behind the campaign was the development of consumer groups combining an affection for old style beers, which they believed to be on the decline, and a dislike of the "big business" attitudes of the major brewers which they blamed for the situation. Watney, fourth largest of the U.K. brewers, made a useful target and seemed to be chosen as the epitome of all that was "wrong" with modern-day brewing groups.

New marketing and sales director Anthony Tennant, who was drafted in during October 1973, and his team, therefore returned to basics and re-examined Watney's strengths and weaknesses in the U.K. beer market. One significant conclusion was that the company had not got right the balance between its regional beers and those sold nationally.

In common with the rest of the major companies, apart from Guinness, Watney developed a national presence through a series of mergers which turned several individual, medium-sized brewing companies into one big group. The idea was to establish a chain of pubs and off-licences throughout England and Wales which could be used as a solid base on which to build beer brands to be sold nationally; brands which would be important enough to deserve heavy promotion and would be in demand by the important "free" (or non-brewer-owned) outlets.

Local

Along with the process went the phasing out of many local beers which were not selling big enough volume to be profitable. Mr. Tennant believes that the major brewers, including Watney, might have gone too far with the discontinuation of "local" draught beers.

Watney has half-a-dozen regional breweries, all with plenty of life left in them, and capable of turning out good "local" brews. So Tennant is building on the local breweries. For example, the Ushers name in Wiltshire was taking second place to that of Watney and so was Wilsons in Manchester. But they still have immense local following. The approach has been changed so that Watneys has a good range of beers under its own name, and Ushers now has two bitters of its own.

Tennant says he aims to have good local draught beers available in most of the group's trading areas. Where there is need, regional draught beers of a relatively high gravity are being brought into the ranges.

This should "improve the total image." London and the South East is a special area and is being tackled in a special way because Grand Met. owns another brewery in the region, Truman. For the South East a "duel brand" strategy has been devised with Watney and Truman in friendly competition. The "free" trade outlets are tackled by two entirely separate sales forces. Tennant comments: "We have analysed the cost of doing it this way against the potential profit and we are satisfied we took the right decision."

Watney tackled its new drinkers become more discriminating—asking for particular brands rather than just for "lager"—then Carlsberg is well placed. The third area to be tackled was premium bitter, another highly-profitable part of the beer market. Watney's problems with Red, following a decision to drop Red, Barratt and introduce a different beer as the main premium bitter, have been considerable and Red has not been anything like as successful as it needed to be in this sector. But Tennant insists "Red is certainly not finished and sells in considerable quantity, and further, 'the Watney name remains a considerable asset'."

Bitters

However, the company decided to pursue a "two bitters" policy and put Ben Truman Export alongside Red as a second premium beer. "By selling both together we have more or less doubled the amount of premium bitter we sell," says Tennant.

Then Watney looked at the "fined" beer sector. This is the beer which is mis-named by some "real" beer because it leaves the brewery in an active condition and is not pasteurised like the "kegs." Within the Watney empire, Samuel Webster in West Yorkshire, Wilsons and Ushers have never dropped "fined" beer but it had disappeared completely in London as far as Watney was concerned.

Now "fined" bitter is being seriously marketed in the London area. "We only expect a limited demand for fined beer but the range will benefit," Tennant comments. "There is a market for this type of beer but it is not as important as some people would try to make out—although for some small brewers the revival of interest in fined beer has been very important indeed."

The last area on which Watney has concentrated fresh attention is the market for canned beer. Almost entirely this beer goes to the take-home trade. Watney already has a big chunk of the canned beer market but Tennant believes it is too much concentrated at the "commodity" end. He aims to make sure more of Watney's premium, and more profitable, beers go on to the grocers' shelves in cans.

That is the strategy, Tennant is enthusiastic about it. "Over the next five years," he says, "we are better placed to do better than most other major brewing companies because we have the opportunity to improve on a number of weak points. And controlled by the Dames and as we are geared to the needs of the larger market grows and market place."



Anthony Tennant

The ads that erred

BY OUR MARKETING EDITOR

THE latest report from the Advertising Standards Authority, which gives details of the complaints from the public about particular advertisements and whether the ASA thinks the criticisms are justified or not, appeared this week.

It suggests that after the first modest rush of public disquiet, encouraged by the ASA advertising campaign, the level of complaints has settled to a controllable flow. (Not that there is much obvious objection to advertisements—the ASA expects in all 4,500 complaints in its first revamped year, ending in April.)

The report covers the last three months of 1975, when the ASA dealt with 358 cases, of which 109 involved mail order, and are therefore unrelated to advertising copy claims. Of the 229 investigated, 127 were upheld.

The most complaints, in fact the highest number ever received by the ASA, involved Jesus Jeans, and the ASA has got an

assurance from the U.K. distributor that in future it will not use biblical references in its advertising, although the name will continue.

Among other campaigns rapped were Saatchi and Saatchi's Superdeal for British Leyland, where the slogan "From 9 a.m. this morning your car is worth a lot more than it was yesterday," was found not always to be true; KMP erred by referring in an advertisement for Hallmark Replicas, to the Stockton and Darlington as the first passenger railway—it was apparently the Swansea-Mumbles in 1804; Masius Wynne Williams, and Hoover, were found to have exaggerated when saying that its products were "totally reliable" backed by nationwide Hoover service; Mackay and Partners was also over-stating the case that Oil of Ulay could replace moisture; Young and Rubicam offended by promoting Typhoo Tea on the dome of St Paul's; and so on.

Most of the advertisements complained about were placed direct by advertisers, and pored over a quarter's objections there is hardly the impression that advertising agencies are engaged in a battle to fool the public. And the agencies have their victories.

One which seems to sum up the level of criticism involved Ogilvy Benson Mather and its advertising for Campbell Soup featuring Barbara Mullen recalling her consumption of the soups when a young girl. The complaint was that Miss Mullen grew up in Eire while Campbells only crossed the Atlantic a decade or so ago. The ASA discovered the truth—that Miss Mullen is American born and did not reach Ireland until she was 19.

burg for the 300 key outlets in the tyre trade, where Dunlop had the delicate task of getting the specialist distributors (now controlling two thirds of tyre sales) to take the Worldbeater, but not at the expense of its other tyres.

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Worldbeater is aimed to plug the gap, both in the U.K. and overseas markets. At the same time the other tyre in the range the Aquajet for wet roads. Formula 70 for sporty minded motorists. Denovo with a safety slant, and India for old fashioned economy—have been backed with more, or less, cash. But with the Worldbeater the company wants the branding to come over stronger than the manufacturers' name, and to gain sales from the competition rather than from other Dunlop tyres.

The emotional element built into the advertising for the Worldbeater was extended to the actual appearance of the product. For the first time in the U.K. market the tyres were not just black, but had two red stripes around them to signify the double spanning of the world. It bears the hall-mark of a packaged goods advertising agency, and it is hardly surprising that the Worldbeater development was entrusted to the fashionable Saatchi and Saatchi, which seems to have treated the tyre as a consumer purchase, which it is.

The task for Dunlop is to keep its advertising to the public in line with its service to the distributors, and its efforts in getting fleets of cars, such as for the police and car rental firms, as well as company-owned cars, to take Worldbeater on a trial basis and then re-order. To a great extent the firm, advertising is the jam, a sign of con-

JWT off Schweppes

SCHWEPES and J. Walter Thompson are parting company. The agency rejected the account on Tuesday after the soft drinks firm had rejected JWT's new campaign. The agency maintained that its creative proposals conformed to the brief, and in the stalemate situation decided to relinquish the business, which last year billed £700,000.

There seems to be a growing practice of agencies resigning big accounts, especially those that failed to settle down inside a year. The new CDP resigned Nescafe in similar circumstances. JWT gained Schweppes mixer advertising from OBM in December, 1972 and dropped the William Franklin "Secret of Sch..." approach. Since then there have been reports of problems.

JWT has offered Schweppes the use of the new campaign while it looks for another agency. It is also probable that the other Schweppes brands, Sancerre and Rose's Lime Juice and Marmalade will also quit JWT.

COCA-COLA is receiving a record £1m. plus this year in advertising and promotional support, a 25 per cent increase on 1975. Lift plane and "grapefruit crush" is being extended out of Scotland to the north of England and Leed lemonade goes national in England and Wales after a launch in the south.

NEW agency Brown McGurk and Sims has been appointed by R. and C. Vintners to handle below the line activity on Monmouth and other brands. THE COI has reappointed OBM to handle its central press negotiations in 1976-77. It saw presentations from French Gold and Benton and Bowles.

information communication

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THURSDAY, FEBRUARY 26, 1976

Contrasting attitudes

BOTH THE CBI and the TUC the special relationship which have now agreed about the proposals they should make to the Chancellor about his Budget. Although the CBI proposals are not to be published until next week, enough is already known about the general shape of the latter for the two very different approaches to be compared. Quite apart from the particular proposals—it is known that the TUC, for example, is in favour of a wealth tax and an upper limit on salaries, while the CBI is in favour of the abolition of the dividend control, the ending of the higher rate of VAT and the indexing of capital gains tax—proposals are not to be published until next week, enough is already known about the general shape of the latter for the two very different approaches to be compared. Quite apart from the particular proposals—it is known that the TUC, for example, is in favour of a wealth tax and an upper limit on salaries, while the CBI is in favour of the abolition of the dividend control, the ending of the higher rate of VAT and the indexing of capital gains tax—

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The difficulties of the Moro cabinet

AFTER SEVEN weeks of crisis, doubtless survive at least until after the forthcoming Socialist and Christian Democrat Party congresses, but it faces three major difficulties. The first is the wave of corruption scandals, highlighted by the issue of a warrant for the arrest of the ex-President of Finmeccanica, which is rapidly eroding public confidence in the Christian Democrat régime. The second is the delicate question of an abortion law, which will inevitably be put to a national referendum if it is not put through Parliament; and a Parliamentary vote would involve a serious conflict with the Vatican. The third problem is the growing popularity, and above all the growing confidence, of the Communist Party. Until quite recently, the Communist aim was a "historic compromise"—some sort of governmental coalition with the Christian Democrats. Now however the Communist Party has become so confident of its growing popularity that it openly looks forward to a situation in which it could not merely overthrow the Christian Democrats, but could hope to form a government majority with the help of the socialists.

President Ford, on an electioneering platform, has said that Italy would be expelled from Nato if it had a Communist government; the North Atlantic Treaty, in fact, has no provision for such an expulsion. Signor Guido Carli, for his part, long the highly respected governor of the Bank of Italy, is on record as contemplating the entry of the Communists into a government with equanimity. No one can tell how the Italian Communists would behave in government; what is clear is that Italy is in urgent need of political reform. What must be accepted abroad is that an increasing number of Italians believe that reform is more likely to come from a government which included the Communists.

For while a cheaper lira may give Italian exporters a competitive advantage as the world economy recovers, the other side of the coin is that higher import costs have a doubly inflationary impact through the indexing of wages. The new Government, formed as it is of so many of the old faces from the Christian Democrat Party which has dominated Italian politics since the war, seems ill-equipped to bring about such reforms. It will

Iran's hopes of using its oil wealth to place it among the industrialised nations by the 1980s have suffered a series of setbacks. Now the Iranian Government is mounting a wide-ranging crackdown on malpractice. A report from Robert Graham in Tehran.



Mr. Abbas Horeida (left), Iran's Prime Minister, heads a special Supreme Council to eradicate corruption. The Shah of Iran (right) was prompted to take the drastic action against corruption his country is now seeing as a result of investigations into the Navy which led to the former Naval chief's being jailed for five years on embezzlement charges.

When the dreaming had to stop

CORRUPTION used to be one of those subjects discussed among friends over dinner or in quiet asides at cocktail parties, but it was never mentioned in public. In the past two years of Iran's boom, fortunes have been made and no questions asked. Even during last summer's much-publicised "anti-profiteering campaign," which exposed hundreds of cases of price-rigging and corrupt practice, corruption as such was never mentioned. Suddenly, in the past month, the subject has been brought out into the open and, through a series of sensational cases, the extent to which bribes, pay-offs, embezzlement and illegal commissions have permeated high places in gradually coming to light.

Corruption before

There has been corruption before. Three generals and two colonels in the Army Transport Section were tried for embezzlement in 1974. But the present campaign is more far-reaching and touches more sensitive areas. Nor can it be seen in isolation. It is very much associated with a changed mood in Iran—one of belt tightening, more modest expenditure, and a realisation that the country's resources cannot be squandered when oil revenues, upon which the economy is still dependent, are proving less than expected in a slack market.

The cases that are now being publicised rarely refer to a single action but usually to systematic corrupt practice over an extended period. For instance,

five Tehran customs officials have just been sentenced on 124 counts of embezzlement and forgery involving a sum equivalent to almost \$1m.

The Iranian Press this week has given banner headlines to the trial of the former Chief of the Navy, Ramzi Abbas Ata'i. He, together with his deputy, nine other senior officers, and two civilians, appeared before a military tribunal on charges of embezzlement. Ata'i was sentenced to five years imprisonment and fined the equivalent of \$3.7m. The sums involved were not mentioned in the charges and clearly it is a sensitive subject to reveal the extent to which corruption has permeated the armed forces, one of the key institutions in Iran. Indeed, apparently the investigations into the navy, which began last November, prompted the Shah to act so drastically. The majority of the people now being tried or investigated, and not just in the navy, were personally appointed by him.

The effect of this anti-corruption drive is very wide. At the military level it has meant that a whole echelon of trusted key officers have had to be dismissed. The navy, the youngest of the services, can ill afford to lose trained men. This has caused the campaign to be seen as a loss of face for the Shah. He is the youngest son of the Shah, and married to the Shah's youngest sister, Princess Fatemeh. His death, in a water skiing accident last September, created a tremendous void.

Outside the Armed Forces there has been a shake-up in some of the ministries which have been either directly or indirectly due to the campaign. For instance, the Ministry of Commerce is going through a reorganisation following the dismissal of two Senior Under-Secretaries who are alleged to have acted with "negligence" over purchase of sugar from Tate and Lyle.

In every Ministry a team from the Imperial Inspectorate (above the security organisation Savak and reporting directly to the Shah) is going through the books. A special Supreme Council to eradicate corruption has been formed, composed of the Prime Minister, the Interim Finance and Justice Ministers, plus the head of the Imperial Inspectorate. This body is open to hear complaints from the public and more cases of corruption are expected to emerge. As a result of these moves much work in the Ministries has been paralysed and few officials are anxious to take decisions until the dust has settled. Work on a number of contracts has either slowed down or halted. Local businessmen, already nervous about Government plans for pushing ahead with 49 per cent. employee share ownership and rigorous price controls imposed last summer, have become even more wary. The same factors have made foreign contractors anxious.

Diverting the blame

The tenor of official comment has at least in part been to divert the blame for corruption from Iranians and on to foreign companies. For instance, Grumman is blamed for "cheating" the Government of \$28m, by paying commissions on the sale of 80 F-14 Tomcats to the three Iranian-born Lavi brothers. Tate and Lyle executives are accused of swindling the Government of up to \$45m, for paying above market price for

three shiploads of sugar—allegations denied by Tate and Lyle. More recently—and potentially more serious for the future of foreign contractors—the three consortia from Britain (headed by Cementation), France, and the U.S. bidding for hospital contracts worth over \$600m, have been accused in seemingly inspired Press articles of first overbidding and then offering substandard projects. The Government is threatening to claim damages from these companies. The companies deny any malpractice.

Fundamental reason

A number of explanations is being given as to why this campaign is being launched now. But it is manageable besides getting out of hand, but this is only one of the basic motives behind the Shah's effort to eliminate it. One reason is the publicity given to the U.S. Senate Sub-Committee investigations on company payoffs abroad—Northrop, for instance, revealed payments to a member of the Iranian Royal Family. But there is another, more fundamental reason. While the boom continued and oil revenues remained buoyant enough to cover all major outlays, Iranians taking fat cuts and foreign companies overcharging were not noticeable. Indeed, it may be some have seemed an acceptable price for rapid progress.

But no one gauged the extent which the disbursement of huge revenues would affect Iranian business life, or how much contractors would make the country pay the price of rapid growth when faced with serious bottlenecks of ports,

manpower and housing. Once the oil revenues and exports dropped—as they did from October—things assumed a different dimension. Iran was confronted with two brutal facts: that slack oil demand and overpricing of its heavy crude meant a \$2.7bn shortfall in revenues and that the deliberate choice two years ago to accelerate growth to spend the fruits of the 1973 oil price rises had involved tremendous waste. Demerage alone will have cost Iran this year ending March 21 something like \$1bn.

Although the oil companies in the former consortium are being blamed for the 1976-77 budget deficit of \$2.4bn, by failing to fulfil their commitments, too much attention has focused on the oil companies and the budget deficit. Of course it is significant that Iran should have a budget deficit besides its element of window dressing in deficit, while the oil companies are a useful scapegoat.

Iran has overspent, has not received enough to show for its six destroyers, which caused the expenditure, and is now pulling order to be cut to four—reducing Iran's potential in the Indian Ocean. The business community was announced and even he-fore oil sales began to fall off in October. For the past five months, the ministries have been re-examining their pay-ables and holding back on pay-ments to contractors to husband their resources. By the face prohibitive housing costs, the urban guerrilla movement is still active, pricking away at the system. (Last week there

one in which 15 people were killed by a grenade thrown in a Tehran street.) All this, combined with the current vigorous anti-corruption campaign against corruption, suggests the country will become more inward looking for the time being.

Expectations aroused

This, then, is a difficult time for Iran. It has seen its effort to raise the price of oil erode, by Saudi Arabia and only last week was forced to lower the price of its heavy crude to make it competitive with the Gulf producers. It has seen the Americans be tough over defence sales, increasing the originally contracted price for its six destroyers, which caused the order to be cut to four—reducing Iran's potential in the Indian Ocean. The business community was announced and even he-fore oil sales began to fall off in October. For the past five months, the ministries have been re-examining their pay-ables and holding back on pay-ments to contractors to husband their resources. By the face prohibitive housing costs, the urban guerrilla movement is still active, pricking away at the system. (Last week there

MEN AND MATTERS

Set for a record

It was a busy day yesterday for Ian Laker. First came the announcement that, having taken over the majority shareholding in London Cigarette Card Company, he had succeeded Dorothy Bagnall as managing director. Then I passed on to him the news that the company had bid successfully at Sotheby's collectors' items sale for what is probably the most expensive set of cigarette cards around.

The set depicting clowns and produced by the Taddy's company (which went out of business abruptly in 1920 when the owner refused to countenance the staff becoming unionised) was brought for £2,090, just about what 24-year-old Laker expected and amply reflecting its rarity.

London Cigarette Card Company was started in 1927 by the late colonel Charles Bagnall after he sold his stamp collection and turned to cigarette cards, first introduced about 1880 to provide stiffening for the flimsy packets of the time.

Came the Second World War and the Government banned cards because of paper consumed. Laker feels the statistics like a true enthusiast: there were 20 companies offering cards; every three months each would produce a new series; and each series contained 400 tons of paper for the 400m cards involved on each run.

Unfortunately, all the blocks and records were put into an Imperial Tobacco warehouse at Bristol which was promptly bombed. The ban was never elaborately worded press release formally revoked, it seems, and the company states, "they felt the only return to cards was in that stickers by extremist

companies each produced sets in the sudden paranoid belief that their competitors were about to re-enter the market. The cards concerned still lie stored "somewhere in the country," said Laker with due mystery.

Only about 50 per cent. of Laker's dealing company is now having branched out into all sorts of giveaway cards, the collection of which has become a booming hobby. He became assistant to Miss Bagnall, daughter of the founder, seven years ago; she has retired after 35 years but continues as editor of a collectors' monthly magazine.

Advantage

The Sex Discrimination Act has, rightly, come in for more criticism than praise. Already it has done more harm than good even before it has been tested in the courts: on the serious side it has led, for example, to resignations by women PCs from the police force—because they are expected to do equal duty with their mail counterparts, which can include solo patrol duty in somewhat unsalubrious areas. On the lighter side it has provided the media with more bad jokes than perhaps any other piece of legislation.

Now it is raising its ugly head in terms of corporate advertising to the extent that one company at least claims it necessary to reverse its advertising policy on "a matter of principle." Having had its posters scattered over some 50 tube stations in London—defaced by stickers saying "This exploits women," the company concerned has decided to carry on with its posters—which it had Bristol which was promptly bombed. The ban was never elaborately worded press release formally revoked, it seems, and the company states, "they felt the only return to cards was in that stickers by extremist

and it is their duty to stand against them." I have not named the Company, because it seems to me that—in spite of its protestations to the contrary—it is exploiting bad legislation simply to its own public relations advantage.

DisUnited Nations

"Dear colleagues," the circular reads, "Prepare yourself to reply clearly and unequivocally to the bad faith of the administration... and to defend our rights so that justice will not be a vain word within the United Nations."

Stirring words, and well within the idealistic concept behind the formation of the U.N. itself: the only problem is that the circular is to UN staff urging them to strike over the question of pay.

Claiming that a strike was inevitable the staff union yesterday blocked most entrances to the offices in Geneva, stopped the lifts, cut the electricity and telephones, and called out some 8,000 employees in the first fully-fledged strike in the organisation's history.

The union claims the cause to be a refusal by the administration to accept the results of a mutually agreed procedure to review salaries and allowances for staff in the general services category (which ranges from typists and stenographers to chauffeurs and gardeners). In the whole machine to a grinding halt.



"And to think the last set of Great Train Robbers got thirty years!"

officials is not bad. For those involved in the present dispute the pay (net) ranges from £5,000 to £11,000 and professional classes earn even more. Moreover, many UN employees live across the border in France and convert their Swiss francs at an advantageous rate.

While some of the UN agencies are prepared to negotiate on the scales set down by the independent report, the administration itself wants to examine both the report and the construction of salary scales. It is that difference of approach which has brought the whole machine to a grinding halt.

Vacant

Quite the word for it? Streat-ham Park Cemetery and South London Crematorium is advertising for a week-end sales clerk.

Hands up for freedom, says St. John Stevas

Mr. Stevas writes about his latest effort to combat the all-comprehensive system—a national petition to the House of Commons

Peter Nichols on the Italian crisis

Crises in Italy have not been uncommon but the current one is out of the ordinary. Read the Spectator for an expert view from Rome

By-election commentary

Patrick Cosgrave and Richard West report the situation from Carshalton and Coventry North-west respectively, where political sign-readers are looking for changes in direction

and

Auberon Waugh • Jan Morris
George Gale • Jeffrey Bernard
Elisabeth Dunn • Rhodes Boyson
Harriet Waugh

These are some of the things in this week's Spectator in which stimulating comment on politics, the arts and books are rendered even more readable by a new look. Take another look at the Spectator now

Spectator

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Out now 20p

Observer

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Balancing the books without funny money

PUBLIC expenditure is far too important to be left to the experts in the occult mysteries that surround the successive White Papers on the subject. The reception of last week's White Paper should have demonstrated this beyond doubt. We had everything from headlines about savage cuts, and the resignation of a junior Minister on that account, to stories about large rises in spending leading to national bankruptcy.

Main needs

Clearly this cannot, or at least should not, go on. The question is not one of presentation alone, but of changing the method of control without making it even more impossibly complicated. The main needs are as follows:

1—Public spending should be controlled in cash terms, but in a way which recognises that we have had inflation in every single one of the last 40 years and we cannot count on its disappearing.

2—It should be possible to ascertain quite simply how much of any overspending is the automatic effect of inflation. The remainder, if any, can then be subject to a comprehensible post mortem.

3—A clear link must be established between expenditure and revenue.

4—The link should not depend on any particular economic theory, but should be of use to all shades of opinion from the "finer tuners" to the old-fashioned Budget balancers.

"Cash limits," however fashionable, are not the answer—a message I have evidently failed to get across before. The Treasury's present acceptance of them is based entirely on

the belief that, thanks to the pay controls, it can forecast money costs. This might just work in 1976-77. But, as a permanent system, it is almost no control at all. The first year in which the pay limits are broken, or prices rise for some other unforeseen reason, the cash ceilings will be overrun in, say, the tenth month of the programme.

It will seem absurd to abandon roads or schools half-built, or dismiss nurses and doctors or even clerks, because the Chancellor fails to foresee the overall national rate of inflation. When this happens, the cash limits will go by the board—and understandably so. This week's Treasury Paper on Cash Limits Control speaks of a review of the ceilings in the event of "a major change in circumstances." Local and Health Service authorities have already been assured that they will be able to reopen their ceilings if their costs rise "substantially" above plan.

It is often forgotten that the centuries-old Annual Estimates were originally intended to act as cash ceilings. They became discredited because they were invariably exceeded on account of inflation, and "Supplementary Estimates" became a matter of course. That is why the Treasury changed its control system in the 1960s. There is a high probability that the new cost ceilings will be discredited for similar reasons and the whole process start all over again. I fear that they are just another of the many passing fads which are such a feature of the British scene.

Another weakness of cash ceilings is that they can operate only a year ahead. The Treasury's present acceptance of them is based entirely on

RECEIPTS AND EXPENDITURE, 1976-77

ESTIMATED ON BASIS SUGGESTED		HYPOTHETICAL POST-MORTEM	
	£bn. (to nearest £bn.)		£bn. (to nearest £bn.)
Assuming no inflation	44.5	Receipts	66.5
Assuming 11% per cent inflation	52.5	Expenditure	66.5
Of which gain from inflation +0.6			
Discretionary Budget Changes	-1.0*		
Total revenue, taking into account inflation and Budget changes	51.5		
Public Sector Borrowing Requirement (PSBR)			
Automatic effect of recession on balance	-12.0*		
Adjusted balance	-4.0*		
Adjusted balance	-8.0		

N.B. All figures are illustrative only, apart from expenditure estimate before inflation and PSBR.

1. At 1975-6 cost prices. Source: Public Expenditure White Paper, Table 4-1. Shown gross. But all revenue is calculated on GDP estimates after Budget changes.

2. Based on Letter of Application to IMF.

3. Fall in economic activity compared with 1974-5 is estimated to have reduced revenue by £3.5bn. and increased social security payments by £0.5bn.

the most expensive items build Budget time—namely pounds sterling. The tendency of public service costs to rise faster than those in the private sector because of the lack of measurable productivity gains would be a very real problem in the initial allocation. There would be no need to confound MPs by adding a "relative price effect" to the totals. If the cost of any particular public service went up unexpectedly fast in relation to the general price level—say because of a public sector wage award or an increase in construction costs—the spending limit would have to be exceeded by the general Department would have to make offsetting economies. Un-

like the situation with the present volume method of control, the onus would be on the spender to make out any "special case" for being allowed to spend more. How all this might work out is shown in the accompanying

tables. They could also be used to monitor the existing system, and link spending to revenue. Because the last year for which complete figures are available is the very peculiar one of 1974-75, August. This would imply an increase in prices in the whole of 1976-77 of about 11% per cent, compared with 1975-76.

Revenue from personal taxation will rise without Budget changes by more than inflation; while the specific duties, such as those on drink, tobacco and petrol, will rise by less. The figure of £0.6bn. is a rough estimate of the net gain to the Revenue known as "fiscal drag." But the main effect of inflation is to increase the proportion of personal direct taxes rather than to boost total revenue. A rough guess of £1bn. has been put in for the so-called "tax reliefs" in the Budget which will merely reduce the rate at which the personal tax

burden is rising. Expenditure with public spending can stop at this point. But those who are by the rate of inflation and no interested in overall national more, in accordance with my suggested rule. This leaves a Public Sector Borrowing Requirement of £12bn. for next year.

The fundamentalist budget balancers might stop the calculation here. But I have taken off £4bn. for the automatic loss in revenue and the automatic increase in social security payments resulting from the recession, cautiously defined. This gives an adjusted Borrowing Requirement of £8bn.—which the Americans would call the "full employment" or "high employment" deficit.

But the main point is that the framework should suit all the schools of thought. The demand that managers can concentrate on the last line, and having told us what they think is the permissible deficit, they can still trace out an automatic link between expenditure and revenue needs. Indeed, in a more open society the Chancellor could publish a table of this kind before his final decisions, so that public discussion would be forced to take into account the tax implications of alternative expenditure decisions.

The second table is an imaginary audit some time in 1977. To show the principles, and for no other reason, I assume that inflation will turn out to be 15 per cent instead of the 11% per cent forecast. Expenditure in our imaginary example turns out to be £66.5bn. in actual ordinary mortals reach for their cold towels. But for once I have risked it. For if expenditure cannot be related to revenue, and cannot be controlled and explained in non-funny money, there is no hope of the public discussion on which the Treasury professes to be so keen.

Interpretation

The crude interpretation is that the gain in revenue has outweighed the overspending and the Borrowing Requirement is slightly less than expected. The table allows those who want to think in those terms to do so. But it also shows that the adjusted or "high employment" deficit has actually increased from the £8bn. forecast to £12bn.

Thus the verdict will be that the Chancellor has increased the stimulus. I am not saying that he will do so. But the framework which I have presented will enable one to see very quickly by what means he has done so if he does, and to make one's own evaluation of the change.

Any attempt to improve the presentation of official figures risks looking too simple and unsophisticated for professionals, while still making ordinary mortals reach for their cold towels. But for once I have risked it. For if expenditure cannot be related to revenue, and cannot be controlled and explained in non-funny money, there is no hope of the public discussion on which the Treasury professes to be so keen.

Letters to the Editor

The bounds of freedom

From Lord Brown, P.C.

Sir—You were kind enough to publish my letter of February 13 accusing a recent BBC programme on capital transfer tax of bias. Most of the copious subsequent correspondence has ignored the main point of my letter and simply indulged in a criticism of CIT. I shall not attempt to reply. Those with wealth who fear to lose it can be forgiven for letting emotion put reason at a discount.

I must, however, offer some response to Mr. Prescott who writes to-day in your issue of February 23 asking the question: "Is he (that is me) advocating censorship?" The answer is absolutely no. But what an absurd question to ask. If I were to be equally absurd I would ask of Mr. Prescott: "Is he in favour of giving TV programmes the right to any distortion they chose to make?"

I would remind Mr. Prescott that the essential means of ensuring that the media in general do not exceed the bounds of their freedom is eternal vigilance on the part of all. Whether it is right or wrong to censor private programme in question as being biased it was an act of true citizenship to express my view publicly.

Brown.

28, Prince Albert Road, N.W.1.

The cost of housing

From The Chairman, Creamline Dairies (Industrial Milk Suppliers).

Sir—Surely it is high time that both major parties took a long cool look at their post-war housing policies, and in so doing I suggest they should consider the following points.

The war has been over for 30 years, and thousands of millions have been spent on council housing, but the problem of homelessness is as bad as ever. Council houses which were built only 40 years ago are now either due for demolition or requiring as much as £5,000 for modernisation.

Private houses of the same age, however, are still in an excellent state of repair, and very few will need anything like £5,000 of either repair or modernisation. Many streets where their owners have a valuable capital asset, which gives them a pride of ownership; whereas council tenants pay out all their lives and still own nothing.

New council houses are very expensive and need an average subsidy of about £29 per week. The owner-occupier of a £12,000 house, however, enjoys tax relief to the extent of about £400 per annum, to begin with, reducing to nil over a period of 25 years, and does not require any subsidy from the rates fund.

A very high proportion of houses fall into disrepair because of rent controls. This is clearly illustrated by the changing face of those districts where landlords have been able to sell property—because of death or removals—high was previously subject to rent control and the protected tenancy. Many streets which were drab and decaying 20 years ago, now look smart and clean, because they are owner-occupied. These remarks are not intended to be a criticism of council tenants, many of whom are there by accident rather than choice. It does seem, however, that the policy of rent controls, subsidies and council building, as seen in a costly failure, and that future efforts should be concentrated on providing finance for the purchase of private houses, built to standard and prices that people want and are prepared to pay for.

Handling at Heathrow

From Dr. F. Weale.

Sir—Complaints about management of Heathrow airport seem to be endless and there is no sign of interest on the part of the responsible authority. They obviously do not care to study baggage handling at Continental airports such as Amsterdam, Zurich, Geneva, Munich and others. There the indicators (without delay) show the place where travellers' incoming luggage is to be collected indicating the aircraft the aircraft has come from, and in addition the flight number.

London airport is hopelessly behind this method. It takes a long time before any announcement is made on one of the carousels, but giving only a flight number—nothing else. The result is that people rush from one carousel to another only to find out that the luggage handled there is not theirs, and rush angrily to another carousel. One knows that London has a big airport with different difficulties but perhaps someone could show some willingness to follow up useful suggestions.

Dr. F. Weale.

30, Barnet Avenue, East Barnet, Herts.

Longest part of the journey

From Mr. A. D. Denton.

Sir—I must endorse the recent comments about unloading at Heathrow. On one occasion the plane touched the runway 55 minutes after leaving Jersey. It took one hour to reach the luggage delivery section, during which time the aircraft coach passed the same point twice, going in opposite directions.

It took a further hour for the baggage to arrive and a further hour to reach the off-airport car park. Arrived there I had no idea where my car was among the 1m. parked, as I had not been told to memorise the position.

I had assumed that the attendant who flagged me into a space knew, it transpired that he had directed me into an area not shown on my ticket. Another hour elapsed before my car was found. Journey time: 1 hour 20 minutes. Total time: 5 hours 20 minutes.

A. D. Denton.

The Cottage, Downs Avenue, Pinner, Middlesex.

Security at the airport

From Mr. P. R. Fyson.

Sir—How right Mr. Tray is (February 23) about security checks of passengers at Heathrow. Like him, I have been concerned about the apparent inefficiency and lack of cost-consciousness in this expenditure on security, to the extent of public money, to the extent of trying myself to get to the bottom of it. The Government, through the Department of Trade, gives "advice and guidance" to airlines and airport authorities on lines and airport security, and the such measures taken is met by cost of measures taken is met by the Department. However,

First-class travel

From Mr. A. Scott.

Sir—The fact that air and first class will travel to Scotland is now more or less on a par is bound to have an adverse effect on first class business rail travel from London to destinations where air gains a considerable time advantage and it is business travel that first class is mainly intended to attract. It might be better to face facts and run mainly second class only trains between London and Edinburgh, with simplified modernised catering as arranged for the high speed train (BST).

Not everyone likes flying and to cater for first class passengers at times when they are most about (and as an attraction for foreign visitors) I would suggest a pair of luxury TEE-type (trans-Europe express) with stops only at York and Newcastle and linked to the Continental TEE network. Each would make a return journey and provide morning and evening services from both London and Edinburgh. A morning 09.00 departure would enable suburban trains to catch them and each would then be able to serve breakfast, lunch and dinner on its return journey. In addition to the TEEs there might be the two London-Edinburgh trains with mixed classes and sleeping cars, and also with named coaches.

Trains to Newcastle and places south thereof would still provide choice of classes, as would trains to Edinburgh from places other than London. Something similar might apply to Euston-Glasgow.

A full second class train with one less catering vehicle would produce more money than a mixed class train, especially when first class is under competitive pressure.

As far as I am aware, the only train to Newcastle and places south thereof would still provide choice of classes, as would trains to Edinburgh from places other than London. Something similar might apply to Euston-Glasgow.

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Subsidies to motorists

From the Chairman of the Railway Infringement Society.

Sir—Your correspondent, Mr. Peter King (February 20) alleges that the taxpayer pays more than the passenger for every journey travelled by British Railways. I would like to point out that, after taking into account costs such as police, road lighting, accidents and many other items it can be shown that for every £1 paid in motor taxation, the general body of taxpayers and ratepayers contribute another £1.20. This amounts to a subsidy of about £400 per annum, which is 10 times greater than the compensation paid to British Railways to run a socially necessary service.

R. V. Banks.

121, Ashford Road, Beerside, Nr. Macclesfield, Cheshire.

Convention on pollution

From the PRO, Inter-Governmental Maritime Consultative Organisation.

Sir—The article "Blinkers on Earthwatch" (February 17) states, in the two penultimate paragraphs: "... Among environmentalists' leading disappointments with UNEP is the failure to take effect of all but one of the conventions proposed by a sufficient number of States has been ratified."

May I draw your attention to the fact that the Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter, which was proposed at the Stockholm Conference and to which reference is made at the end of the passage quoted above, was concluded at a diplomatic conference in London in November 1972. It entered into force on September 30, 1975, having obtained the required 15 ratifications.

(Mrs.) A. Mekdrum.

101-104, Piccadilly, W.1.

Paying for credit cards

From Mr. Alan Hershman.

Sir—It is not clear for the Government to look seriously at the position of retail traders, restaurants and others, who accept as many as six—twelve different credit cards and who, understandably, must allow for this in their prices. Why should the cash customer subsidise the credit customer? Is he not entitled to at least 5 per cent discount for cash? I feel that credit card trading on this scale should be examined and if possible, put on the same statutory basis as hire purchase trading, that is prices should have to be clearly shown for cash trading as against credit card trading.

Alan Hershman.

17, Portman Towers, George Street, W.1.

Making travel less taxing

From Mr. R. P. Harrison.

Sir—Mr. Robin Hancock's suggestion (February 24) that the cost of season tickets be allowed by the Inland Revenue for tax purposes must be welcomed. Within Europe the concept is well established. The Danish tax authorities have, for example, long recognised the burden involved by allowing for tax purposes the cost of travel between home and place of employment. This approach is, without question, logical and

Transport policy

From Mr. M. Green.

Sir—Surely Mr. Crosland's high fares policy for public transport is encouraging the balance of payments deficit on oil by making it cheaper for people to enjoy the convenience and comfort of their cars? I write, incidentally, not as a commuter but as a resident of St. Pancras, London.

As fares have increased so has the volume of commuter car traffic charging through this area of inner London. The families who live here, by and large, do not own cars. They rely on public transport which is being increasingly priced out of their reach by the Government's dogma of opposition to the Labour GLC's election promises.

As a social service and necessity, public transport should be second only to housing. Yet the grant to buses—peanuts in comparison to overall Government expenditure—is being cut by half, for example, £450m. is being spent on a defence project rated as obsolete by the authorities, and over £500m. is being pumped into car manufacture.

Finally, why should skilled

GENERAL
Lord Greenhill heads three-man delegation in Salisbury for talks with Mr. Ian Smith, Rhodesian Premier.
House of Commons Select Committee meets on Public Expenditure White Paper and Chrysler (U.K.) public expenditure.
Tribune Group of MPs meet in Commons to discuss protests against Government's projected cuts in public spending.
Mr. Roy Jenkins, Home Secretary, opens National Fire Protection Conference. Excelsior Hotel, Heathrow.
The Queen and Prince Philip visit Fleet Street.
PARLIAMENTARY BUSINESS
House of Commons: Debate on

To-day's Events
Civil Aviation Policy Guidelines. Atomic Energy Authority (Special Constables) Bill, second reading.
House of Lords: Divorce (Scotland) Bill, and Solicitors (Scotland) Bill, second reading.
Endangered Species (Import and Export) Bill, and Tyne and Wear Bill, second reading. Motions on Milk (Guaranteed Prices) (Amendment) Order, and Fishing Vessels (Acquisition and Improvement) (Grants) Scheme.
OFFICIAL STATISTICS
Fourth quarter provisional figures for capital expenditure

by manufacturing, distributive and service industries, and manufacturers' and distributors' stocks. Energy trends.
COMPANY RESULTS
Charrington Gardner Locket (nine months).
Alexander Howden Group (full year).
COLLEGE MEETINGS
Associated Sprayers, Birmingham, 10.
Birmingham Pallet, Edgbaston, 12.
Braid, Chester, 12.15.
Manbre and Garton, Winslow Road, 12.
Raglan Property Trust, Abercorn Rooms, E.C. 11.
South Staffordshire Waterworks, Birmingham, 12.30.

HAVE YOU HEARD THE LATEST ABOUT INFLATION ACCOUNTING?

The problems of effective accounting in an age of inflation aren't amusing. In fact they're so difficult we decided to bring out a special talk on cassettes dealing with the subject by Professor Walter Reid. The talk covers the various alternative accounting systems. As well as explaining why the Sandilands Committee recommended that the best solution lies in the development of current cost accounting. Professor Reid describes the detailed rules for turning the recommendations into a practical accounting system. And reviews the implications for taxation, investment and management decisions. Professor Reid, who was a member of the Sandilands Committee, is with the London Graduate School of Business Studies. If you're concerned with accounting today you can't afford to be without his invaluable talk. It comes on two cassettes. All you need is a recorder and a pair of ears. The price is £15 per pack and your order reference number on the order form below is C 010. Other talks in the Financial

Times-Waterlow series of cassettes include:
The Capital Transfer Tax by Professor G. S. A. Wheatcroft. Order Ref: C 002 & C 003. Price £11 per pair.
The Employment Protection Act by Professor R. W. Rideout. Order Ref: C 013 & C 014. Price £11 per pair.
The Consumer Credit Act by Professor A. L. Diamond. Order Ref: C 006 & C 007. Price £11 per pair.
Up-to-date Motoring Law by John Wickerson LL.B. Order Ref: C 008. Price £4.75.
The Community Land Act by Sir Desmond Heap. Order Ref: C 009. Price £5.75.
The Rent Acts—the

COMPANY NEWS + COMMENT

Johnson Matthey's £3.4m downturn

THIRD QUARTER pre-tax profit of Johnson Matthey and Co. decreased from £4.46m to £3.72m, giving a total downturn from a revised £12.9m to £9.51m for the nine months to December 31, 1977.

Last November holders were warned that profit for the year would be below the £17.04m, for the 12 months to March 31, 1978, although second-half profit should be better than the £3.9m for the first six months.

Group involved sales for the nine months, excluding Johnson Matthey Bankers, were £225.31m, against £204.53m.

In arriving at the pre-tax profit deductions have been made for debenture and other interest of £1.3m, (£3.07m, and depreciation of £1.66m, (£1.3m).

HIGHLIGHTS

BOC International has turned in a good first quarter with sales holding up well in the U.K. Standard Chartered Bank is raising £31m, by way of a 3 for 20 rights issue to strengthen its capital ratios. Lex also takes a look at Alko where losses have continued into the final quarter but there are now indications of recovery in fibres and chemical products. Matthew Clark has made a significant recovery on a fairly static volume position while Johnson Matthey has shown a much improved third quarter. Raine Engineering's half-time statement also contains a rights issue announcement, with some £3m being raised.

Matthew Clark £1.3m so far

Profit before tax 4,460,000
Taxation 612,000
Net profit 3,848,000
Minority 52,000
Interim dividend 530,000
Balance 3,318,000

Fixed assets 22,211,000
Investments 12,200,000
Net current assets 76,066,000

* Restated as a consequence of changes in accounting policies. Tax attributable to base stocks, since their inception, has been added to the value of stock instead of deducted from reserves, provision has also been made for deferred tax.

Precious metal stocks are valued at base prices plus attributable tax. If market prices been used the amount on the balance sheet would have been higher by £15.67m, compared with £12.74m.

Activities in precious metal refining and chemical manufacture, metal fabricating, banking, ceramic colour and pigment manufacture and decorative transfer producing.

comment

Johnson Matthey now looks capable of topping £13m, pre-tax this year. At £13.7m, the third quarter shows a clear improvement over the first and second periods, and Johnson is also beginning to talk hopefully about 1978-79. Banking and bullion dealing remain flat, but there has been some volume growth in the U.K. in chemicals and manufacturing while overseas prices have lately begun to improve.

The U.S. has apparently had a solid third quarter. As for the balance sheet, net borrowings are roughly £2m, lower than at the end of 1974-75 at £2.9m, and so down to under half a tangible shareholders' funds—or to less than four-fifths taking precious metal stocks at market prices. The shares yield a prospective 4.9 per cent, at 355p, and cover this year is going to exceed three times comfortably.

KODAK

Serious under-utilisation of capacity of "specific areas" at the Stevenage, Kirkby, and colour processing plants, resulted in a decision by Kodak Limited to run down operations in those specific areas. Monday's report on the 1977 results inadvertently implied that all the plants there were being run down.

AFTER deduction of duty, turnover of Matthew Clark and Sons (Holdings), wine and spirit shippers, improved from £12.44m, to £14.95m, during the eight months to end December, 1977, and pre-tax profit doubled from an adjusted £0.62m, to £1.28m.

The profit is already £0.32m, up on the depressed total of the previous year and within £0.41m, of the record £1.69m, earned in the year 1973-74.

The directors explain that the difference in the eight-month figures now given for 1977 from those published, arises from a change in presentation designed to take into account expenses including depreciation of plant and directors' emoluments at the interim stage. The figures are thus presented on the same basis as those in the year-end accounts, they point out.

Although trade since Christmas has been at a relatively low level, the directors say the eight-month figures support the confidence expressed last September by the chairman, Mr. F. W. Gordon Clark. Then the reported that profitability of all major products had improved.

The interim dividend is being raised from 1.3p to 1.4p net—last year's total was 4.2p.

Matthew Clark is making a good profits recovery from its depressed performance in 1974-75, when the cost of importing large quantities of bottles and grape juice took a big bite out of profits. A return to normal home supplies has made a possible a pre-tax profit increase of 105 per cent, on barely increased volume. Although Mr. Clark claims to have raised its market share of British wines, volume sales even in this major area, for instance, have made little progress. Elsewhere, stocks have been reduced somewhat to help relieve a squeeze on cash flow arising from delay in recouping duty payments. Meanwhile, the outlook for the current four months is not particularly bright. There may be less prospect than in the last two years of a pre-budget rush for stocks to boost this seasonally depressed trading period. After a 10p rise in the shares yesterday to 70p, however, the yield at 10.4 per cent, is still reasonably high for the sector, assuming a maximum total dividend increase.

Although Gillett indicated higher profits at the half-way stage it has now reported a sharp drop in disclosed net profits for the full year. This does not imply any change of trend, however; indeed, true second half profits were roughly the same as in the first six months. The point is that Gillett had to put an unusually large proportion of profits in the shop window in 1974-75, to wipe out the deficiency on reserves. This year's disclosure policy is more normal, and it is anticipated that the roundabout route of a transfer out of contingencies of 105 per cent, on barely increased volume. Although Mr. Clark claims to have raised its market share of British wines, volume sales even in this major area, for instance, have made little progress. Elsewhere, stocks have been reduced somewhat to help relieve a squeeze on cash flow arising from delay in recouping duty payments. Meanwhile, the outlook for the current four months is not particularly bright. There may be less prospect than in the last two years of a pre-budget rush for stocks to boost this seasonally depressed trading period. After a 10p rise in the shares yesterday to 70p, however, the yield at 10.4 per cent, is still reasonably high for the sector, assuming a maximum total dividend increase.

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well above the average for the sector.

Raine's growth: rights issue

AN INCREASE in pre-tax profit from £261,000 to £327,000 for the half year to December 31, 1977, and the forecasted final 10p per 10p share, and a forecast of an increased dividend for the year are announced by Raine Engineering Industries.

The interim dividend, on present capital is effectively lifted from 0.10p to 0.25p net, and the forecasted final 0.65p on the increased capital. This will make a total of 0.975p, against equal to 0.395p adjusting for a scrip issue. The Treasury has given consent to the higher dividend.

Sales for the half year advanced from £4.13m, to £7.1m. For the year to June 30, 1977, they amounted to £28.94m, and pre-tax profit was £565,000.

Profit for the six months includes £51,000 (before deducting the cost of share repurchase) in respect of P. Hassall since October 13, 1977.

The rights issue — 3,627,888 shares — to raise approximately £315,000 — is for holders registered on February 13. Necessity, which currently owns 29.51 per cent, of the capital, has irrevocably undertaken to subscribe for its entitlement and has underwritten the remainder of the issue.

The purpose is to strengthen the capital base to provide for expansion in the existing business and to enable advantage to be taken of the opportunities for investment which the Board believes will continue to arise.

Renounceable letters of allocation will be despatched on March 19, and it is anticipated that dealings in the new shares (nil paid) will commence on March 22.

Home sales 4,927,341
Exports 667,447
Total sales 5,594,788
Trading profit 282,291
Invest. income 17,449
Net profit 299,740
Tax 108,113
Dividend 22,111
Retained 169,516

1977-78 1976-77

Group profit 559,041 411,381
Dividends 22,111 16,213
Retained 536,930 249,168
Fixed assets 47,237 214,623
Capital and Reserves 1,761,511 2,062,223

* After transfer of £9.5m from contingencies to general reserve.

United Real advances £149,000

PROFIT BEFORE tax of United Real Property Trust advanced from £556,000 to £505,000 for the six months to October 5, 1977, including share of associate's £21,000 against £26,000.

For the whole of the year to April 5, 1977, pre-tax profit was £1,301, (£1,422m).

To reduce the disparity with the final dividend, the interim per 25p share is lifted from 0.875p to 1.25p net. Last year, the company paid a total dividend of 0.675p, including a special interim of 0.575p and a final of 2p.

Half year Year

1977-78 1976-77

Gross income 1,229 1,225
Interest receivable 109 124
Rental income 109 124
Net profit 211 211
Dividend 21 21
Retained 190 190

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Retained 190 190

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DIVIDENDS ANNOUNCED				
Company	Current payment	Date of payment	Corresponding year	Total last year
Matthew Clark	1.4	April 1	0.24	0.65
Colmore Investments	Nil	—	—	—
Con. Gold Australia	Nil	—	7(2)	12
Gedong Lvs.	1.07	April 5	0.97	1.39
Gillett Discount	8.13	—	5.03	8.7
London & Garmore	Nil	—	0.21	0.76(8)
Moorside Trust	2.22	—	2.22	3.5(10)
Nigerian Elect. 2nd Int.	3.2	April 2	4.22	—
Raine Engineering	0.23	May 6	0.1	0.6
Rea Brothers	0.03	April 9	0.53	1.83
Squirrel Horn	1.06	April 15	0.96	1.33
United Real	1.25(3)	April 19	0.88	3.53
Dividends shown per share	—	—	—	—
* Equivalent after allowing for scrip issue. (e) On capital increased by rights and/or acquisition issues. (f) Including a special dividend of 0.55p. (g) Single payment of 0.21p is forecast. (h) Final of 0.65p is forecast on capital to be increased by one-for-three rights issue. (i) To reduce disparity. (j) For period from January 23, 1977 to January 22, 1978. (k) For period from January 1, 1974 to January 22, 1978. (l) Australian cent.				

Standard Chartered Bank, one of London's leading overseas banks, is raising about £31m through a rights issue on the basis of three new shares for every 20 held.

The bank has received approval from the Treasury under current dividend restraints for an increase of about 20 per cent. in the dividend.

The bank, which is headed by Lord Barber, said the issue would improve the ratio of the capital base to the consolidated deposits of the bank, and enable it to avail itself of present and future opportunities to expand its business throughout the world.

It is looking for an improvement in net profits in the year which ends on March 31. The re-assessment of economic conditions has continued in this period on costs in a number of countries. Standard Chartered expects group trading profits to be at the "same order of magnitude" as last year's £28.2m.

However, it is anticipated that additional provisions will be significantly lower than last year's £16.7m, (£2m, against advances of £10.7m, for pensions). The directors, therefore, expect that in the absence of unforeseen circumstances the net profit attributable to shareholders after taxation and minority interests, but before extraordinary items, should be not less than £34m. for the current year compared with £29.7m, last year.

The new shares are to be offered to shareholders at a price of 35p each, and Midland Bank has undertaken to subscribe for the 1,433,228 shares due to its holding of nearly 16 per cent. in the equity. The news brought a fall of 10p in the Standard Chartered shares at 425p.

The issue has been underwritten, except for the Midland entitlement, by J. Henry Schroder Wagg and Lazard Brothers, and brokers to the issue are Cazenove, Murphy, Campbell and Co.

It is three months since the 1st later preference issue, and during this time there has been a considerable increase in activity in the fixed-interest market particularly gilt. So the M. Standard issue, is testing an around which a coupon rate clip a full point to 8 per cent., if successful there will probably be further offers following in footsteps. Because of decrease in the coupon, sir comparisons cannot be made but it looks probable that a response, and tenders may be pitched half a point or the minimum at say, 59p 1 cent, to ensure obtaining a stock.

to respective holders is proposed as follows:

Dividends payable on 15/10/77 (£145,000) and 15/10/78 (£226,000) is added to reserves.

The scrip issue is for holders registered on March 3.

1975 1974

ASSETS:

Cash, etc. 13,392 21,326

Treasury bills, etc. 21,447 6,519

Minor short notice 4,375 4,375

Spec. deposits 793 199

Other loans 5,644 3,819

Goodwill 229 229

Loans, advances, etc. 9,164 5,889

Total current assets 55,242 46,427

Fixed assets 13,392 10,249

Assets less than 12 months 229 229

LIABILITIES:

Share capital 2,721 2,721

Capital reserve 120 136

Revenue 671 723

Accruals 10,198 10,244

Provisions 32,580 42,353

Ord. dividend 61 61

Balance-sheet total 66,968 59,923

* Including provisions for tax and minor reserves.

For the full year of the year to April 3, 1975, pre-tax profit was £13m, £11.42m.

To reduce the disparity with the final dividend, the interim per 25p share is lifted from 0.875p to 1.25p net. Last year, the com-

United Real advances £149,000

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Squirrel Horn progress

Confectionery manufacturers, Squirrel Horn reports pre-tax profits up from £145,305 to £322,072 for 1977. Turnover was higher at £13.2m, against £12.67m.

Stated earnings per 12 1/2p share rose from 1.92p to 4.17p and a net final dividend of 1.0535p makes a total of 1.5135p previously absorbing £53,692 (£48,513). A one-for-five scrip issue is also proposed. Profits in the first half had increased from £111,451 to £181,415.

Mr. J. B. Harvey, the chairman, states that the current year has started satisfactorily and he is "quite confident about the future."

Glasgow Stockholders optimistic

The current year outlook for Glasgow Stockholders Trust is cautious but optimistic, and for the time being a fully invested position is being maintained, says the chairman, Mr. A. Rintoul.

Gross revenue in 1977 was down slightly from £599,284 to £572,122, because a fully invested position was maintained for most of the year, whereas in the previous year substantial sums were held uninvested on which a high rate of interest was earned.

As known, net revenue, before tax, was £576,067 (£570,974), the dividend is 2.55p (2.3p) net per 25p unit, and one-for-two scrip issue is proposed. It is intended at least to effectively maintain the dividend at 1.9p.

Investments were valued at £13.82m. (£8.78m.) — unrealised appreciation £5.04m, depreciation £231,403. Net asset value per unit was 162p (£4p).

Meeting, Glasgow, March 19 at 11 a.m.

Nuclear Enterprises in Switzerland

Nuclear Enterprises announces the establishment of a Swiss subsidiary, Nuclear Enterprises S.A., in Geneva, to handle a rapid increase in sales to Switzerland and improve the service given to customers in the field of high energy physics.

Nuclear Enterprises, said to be the largest company in Europe in the fields of nuclear instrumentation and medical ultrasonic diagnostic equipment was formed about 20 years ago. It has laboratories in Edinburgh and at Broomfield, near Reading. Subsidiary companies are in operation in Munich and in San Carlos, California.

Moorside Trust pays 3.5p

Gross revenue of Moorside Trust rose to £578,155 for the year to April 5, 1977, to £548,416 for the period from January 23, 1977, to April 4, 1977. This compares with £559,393 for the period from January 1, 1974, to January 22, 1977.

Earnings per 25p share were 3.94p and 0.79p against 3.7p respectively, after tax of £173,387 and £46,013 against £190,383.

The directors say that the underlying asset value at December 31, 1977, of 94p per share is not strictly comparable with that of 38p at January 22, 1977, due to the change of status from a financial trust to an investment trust on January 22, 1977.

The final dividend is 2.5575p net making 3.5p for the period from January 23, 1977, to December 31, 1977, compared with 3.1675p for the period from January 1, 1974, to January 22, 1977.

LRC Intl. expansion

LRC International is expanding two sections of its Sanitas Trust division.

United Photographic Laboratories, formed last year to consolidate home-based photographic processing interests is setting up a joint-venture laboratory in South Africa.

Due to start operation in early March, the partnership is with SAPDC BPC, a chemist co-operative. The laboratory, adjoining the Johannesburg plant of SAPDC, will initially service outlets in the Johannesburg and Pretoria areas.

Elsan, also having recently negotiated an assembly agreement in South Africa, has secured a U.K. contract with British Rail to supply recycle flushing toilets for three prototype Advanced Passenger Trains.

GREENMOUNT AND BOYNE

The listing of Greenmount and Boyne Ordinary shares at 55p, first cumulative Preference and 5.5 per cent. second cumulative Preference has been temporarily suspended, a receiver and manager having been appointed.

ISSUE NEWS AND COMMENT

Standard Chartered 3-for-20 rights to raise £31m

Standard Chartered Bank, one of London's leading overseas banks, is raising about £31m through a rights issue on the basis of three new shares for every 20 held.

The bank has received approval from the Treasury under current dividend restraints for an increase of about 20 per cent. in the dividend.

The bank, which is headed by Lord Barber, said the issue would improve the ratio of the capital base to the consolidated deposits of the bank, and enable it to avail itself of present and future opportunities to expand its business throughout the world.

It is looking for an improvement in net profits in the year which ends on March 31. The re-assessment of economic conditions has continued in this period on costs in a number of countries. Standard Chartered expects group trading profits to be at the "same order of magnitude" as last year's £28.2m.

However, it is anticipated that additional provisions will be significantly lower than last year's £16.7m, (£2m, against advances of £10.7m, for pensions). The directors, therefore, expect that in the absence of unforeseen circumstances the net profit attributable to shareholders after taxation and minority interests, but before extraordinary items, should be not less than £34m. for the current year compared with £29.7m, last year.

The new shares are to be offered to shareholders at a price of 35p each, and Midland Bank has undertaken to subscribe for the 1,433,228 shares due to its holding of nearly 16 per cent. in the equity. The news brought a fall of 10p in the Standard Chartered shares at 425p.

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Mid-Sussex Water tender

Arrangements have been made for an offer for sale of the 100 per cent. of 8 per cent. Redeemable Preference stock in Mid-Sussex Water Company, a minimum price of £88 per share.

The stock is payable as to 10p on or before March 31, and the balance due on or before Monday Mar 8. Dividends on the stock have been paid half-yearly on September 8 and March 8, and the stock is mature on March 8, 1981. At issue price the crossed-up rating yield is 12.495 per cent. a redemption yield of 12.722 per cent.

Brokers to the issue are Dem Murphy, Campbell and Co.

Quotation for Tenneco Inc. Common

A quotation has been granted for the 80,996,381 shares of \$3 Common stock in Tenneco Inc., a major U.S. group with diversified interests spreading from the original pipeline operation through engineering, shipbuilding, packaging, chemicals, oil and land development.

A listing has already been obtained for \$5.0m of 10 per cent. Sterling/Dollar Convertible Unsecured Loan stock 1991-95 which was issued as consideration for the acquisition of Harco Industries last December. To comply with U.K. requirements Tenneco had to follow with a quotation for its Common shares.

During 1977 operating revenues increased from \$2.55bn. to \$3.42bn., while fully diluted earnings per share improved from \$3.35 to \$3.62. Over the past five years sales have increased by 15 per cent on a compound basis, and pre-tax profits by 24 per cent. The return on assets during 1977 was 14.4 per cent.

Outside of the U.S. Tenneco has assets of some \$789m.—about

Amax offers

A syndicate headed by Lehn Brothers Inc. is offering \$5 of Amax Inc. debentures, a 2m. shares of Amax convert preferred stock.

The debentures, due 2001, being offered at 99; with an annual coupon to yield 9 per cent.

The preferred shares have been priced at \$50 a share, with dividend rate of \$3 a share. Each share is convertible into 0.8 shares of Common, at a conversion price of \$62.50.

Seller concession has been at \$4.75 per debenture and cents a share on the Preferred Debentures is \$3.50 on shares.

Other Issue News

Raine Engineering, Rea Brothers and Squirrel Horn this year



Balance Sheet at 31st December 1975			
	£	£	£
Share capital and reserves			
Authorised, issued and fully paid, ordinary shares of £1 each		5,000,000	
General reserve		800,000	
Retained profit		412,416	
		5,912,416	
Shareholders' subordinated loans			
		5,771,808	
		11,684,224	
Deferred taxation			
		38,500	
Current liabilities			
Current and deposit accounts	242,695,982		
Taxation (including £300,070 in respect of 1974)	982,864		
A.C.T. on proposed dividend	134,615		
Creditors and accruals	185,482		
Proposed dividend	280,000		
		244,248,943	
		255,971,465	
Current assets			
Cash, balances at bankers, money at call and short notices		94,290,952	
Bills discounted		6,511,359	
Deposits with banks		68,643,223	
Loans and advances		10,364,184	
Debtors and prepayments		85,088	
		180,584,406	
Investments in affiliated companies			
Unquoted — at cost and directors' valuation		407,789	
Loans and advances over one year		74,720,278	
Fixed assets		258,992	
		255,971,465	
TRADING PROFIT for the year ended 31st December 1975, after payment of interest on subordinated loans (£544,155), amounted to £21,259,522			
Extracts from the Chairman's Statement			
A satisfactory increase in trading profit was achieved, despite the steep escalation of costs.			
Our commercial banking activities showed commendable growth, but it was in medium term lending that we saw the biggest element of expansion.			
A cautious policy of building up reserves is being continued, and a sum of £300,000 has been set aside as a provision against any possible future losses.			
After three years of successful operation, a dividend of 5% is proposed.			
P.O. Box 185, Commercial Union Building, St. Helen's, 1 Undershaft, London EC3P 3HT			
SHAREHOLDERS: Union de Banques Arabes et Françaises · Libyan Arab Foreign Bank · Midland Bank Limited			

Group turnover	£12,413,356	Group turnover	£14,504,290
Profit before tax and extraordinary items	£160,076	Profit before tax and extraordinary items	£201,509
Increase in net assets	+5.4%	Increase in net assets	+12.2%
Earnings per share	2.4813p	Earnings per share	3.3146p
Total dividend per share	1.2663p	Total dividend per share	1.3513p
Bonus share issue	1 for 4	Bonus share issue	1 for 1

Adjusted to 1975 values

and bigger bites to come

If you would like to know more about our achievements in 1975 and our plans for the future, please write for a copy of our Annual Report and Accounts to the Secretary, Glass Glover Group Ltd, 7 Fitzroy Square, London W1P 6AS

GLASS GLOVER GROUP

Food Distributors and Importers of Fresh Fruit and Vegetables

Ley's Foundries hoping for better return

MR. F. D. LEY, chairman, told the annual meeting of Ley's Foundries and Engineering, that it was hoped to record this year a further improvement in the return on sales but, faced with a weak market worldwide for the group's principal product (malleable iron castings), achievement of this object "will be difficult."

Last year (ended September 30, 1975) the return on sales improved from 6.4 per cent. to 8.3 per cent. before tax—while the improvement was "most welcome," said during the

Mr. Ley yesterday, the rate was still unsatisfactory. He reported that for the current year, first quarter trading profit of Ley's Malleable Castings was practically maintained. During the second quarter it was anticipated the volume of business would be lower than in the same quarter last year, but that the current level of profitability would be maintained.

Ewart Chainbelt's first quarter profit showed a substantial increase, and Mr. Ley expected this trend was "most welcome," said during the

second quarter. However, during the first few months the level of incoming orders had been well below the rate of production and while outstanding orders would support production at the current rate for the next few months, profits would fall in 1976-77 unless incoming orders could be increased, he warned.

W. Shaw and Co. was facing keen competition at present and margins were lower than obtainable last year. While the first half would in any event show a higher profit, the first quarter's profits being greater than the previous December quarter, there might be a reduction in the second half, the chairman added.

BOC first quarter improvement

FROM SALES up by some £21m. at £129.9m. first quarter (to December 31) pre-tax profits of BOC International, the industrial gases and engineering group, have expanded from £3.61m. to £3.78m.

Earnings per 25p share, based on the £56.5m. Ordinary shares outstanding at December 31, following the June last one-for-four rights issue, are shown at 1.99p for the quarter, compared with 1.89p in the corresponding previous year period.

For the last full year, to September 30, 1975, taxable profits increased to a record £47.41m. from £34.52m. in 1974-75, with per share earnings of 8.29p.

The first quarter profit was struck after heavier depreciation of £5.12m. against £5m., but this increase was substantially offset by a reduction in interest charges from £5.65m. to £4.86m.

Trading profit in Europe increased from £3.32m. to £5.01m. in Africa from £2.42m. to £2.95m. in America from £3.56m. to £4.18m. In Asia from £658,000 to £795,000 and in the Pacific from £3.12m. to £3.74m.

Three months Year
1975 1974 1975-76
Sales 129.9 126.2 126.2
Operating costs 116.1 115.5 115.5
Depreciation 5.1 5.0 5.1
Balance 13.7 10.7 10.6
Share assets 1.9 1.9 1.9
Interest 5.7 5.7 5.7
Tax 1.0 1.0 1.0
Net profit 4.4 4.4 4.4
Minorities 0.3 0.3 0.3
Aberdeen 1.1 1.1 1.1
Statement, Page 24
See Lex

Aberdeen Edinburgh & London

Aberdeen, Edinburgh and London Trust, a wholly-owned subsidiary of Cable Trust, reports gross revenue up from £408,433 to £484,194 for the year 1975.

Earnings before tax increased to £24,470 from £26,981 and net earnings amounted to £24,461 compared with £23,048. Stated earnings per 25p share were 2.81p against 2.53p.

A net final dividend of 1.1p

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interim or final and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY
Barrington-Gardner Locket, Commercial Bank of Australia, London Ship Property Trust, Telford Jersey, Thames Property Manufacturers, Wiggins Construction.

FRIDAY
Anglo American Corporation of South Africa, Derek Crouch (Contractors), Horizon Midlands, Alexander Howden, Kleemann Industrial, Lonsdale Industries, Liden Holdings, Madams Trusts, Patersons Ship and Marine, River Plate and Mercantile Trust, River Plate and General Investment Trust, Sherriff, F. J. Wallis, Westwood Davis, Wharmston Investment Trust, Woodhouse and Rixon.

FUTURE DATES
Barrington-Gardner Locket, Commercial Bank of Australia, London Ship Property Trust, Telford Jersey, Thames Property Manufacturers, Wiggins Construction.

FRIDAY
Anglo American Corporation of South Africa, Derek Crouch (Contractors), Horizon Midlands, Alexander Howden, Kleemann Industrial, Lonsdale Industries, Liden Holdings, Madams Trusts, Patersons Ship and Marine, River Plate and Mercantile Trust, River Plate and General Investment Trust, Sherriff, F. J. Wallis, Westwood Davis, Wharmston Investment Trust, Woodhouse and Rixon.

FRIDAY
Anglo American Corporation of South Africa, Derek Crouch (Contractors), Horizon Midlands, Alexander Howden, Kleemann Industrial, Lonsdale Industries, Liden Holdings, Madams Trusts, Patersons Ship and Marine, River Plate and Mercantile Trust, River Plate and General Investment Trust, Sherriff, F. J. Wallis, Westwood Davis, Wharmston Investment Trust, Woodhouse and Rixon.

Change at BICC

Pyrotechnics and the Mineral Insulated Cables Division of BICC both of the BICC Group, are to be merged together as BICC Pyrotechnics, as this will give advantages to customers as well as making for a simpler and more economical operation, it is stated.

At present, BICC and Pyrotechnics operate a large number of distribution branches, many of

which are close to each other, and it will be the intention to make a progressive reduction in the number of these branches without sacrificing the efficiency of the distribution service.

J. Michael improving liquidity

MR. J. M. INGRAM, chairman of J. Michael (Seville Row), designers, makers and retailers of menswear, told yesterday's annual meeting that positive action had been taken to eliminate loss-making operations and to cut expenses.

Firm offers had been received amounting to about £1m. for certain of the group's low yielding property assets, and the directors intended to raise £750,000 in this way in the immediate future, Mr. Ingram said.

He added that, with the improvement in liquidity and management structure, he would hope to be able to report better results in 1976/77.

Dem Line Management formed

The formation is announced of Dem Line Management (U.K.), a shipping management company owned 50 per cent. by Mitchell Cotts and Co. (U.K.) and 50 per cent. by members of the Khayat family from the Lebanon with whom Mitchell Cotts has business associations going back some 15 years.

Operating from London with offices in Cotts House, the new company will manage the affairs of the Dem Line, a ship-owning company established in 1953 by the Khayat family of Beirut. The fleet at present comprises eight general cargo vessels, trading mainly in the Eastern Mediterranean and the Black Sea.

Chairman of the new company will be Mr. P. P. Dunkley, deputy chairman of Mitchell Cotts Group, with Mr. F. A. Khayat as deputy chairman and Mr. J. F. Khayat as managing director.

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The Moscow Narodny Bank has the experience, the knowledge and the connections that are essential for East-West trade to flourish.

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Moscow Narodny Bank

The bank for East-West trade

24/32 King William Street, London, EC4P 4JTS
Branches in Beirut and Singapore
Representative Office in Moscow

TOTAL ASSETS EXCEED £1,100,000,000

RECENT ISSUES

EQUITIES									
Issue	Price	1975/6	1976/6	Stock	Uniting	Price	1975/6	1976/6	Stock
500 F.P.	1540	400	Anglo-Am. Coal Corp. 50c	400	10	100	100	100	100
100 F.P.	1125	612	Brent Fund S.A.	112	10	100	100	100	100
100 F.P.	1000	500	British Gas Corp. 10c	500	10	100	100	100	100
100 F.P.	1000	500	British Gas Corp. 10c	500	10	100	100	100	100
100 F.P.	1000	500	British Gas Corp. 10c	500	10	100	100	100	100
100 F.P.	1000	500	British Gas Corp. 10c	500	10	100	100	100	100
100 F.P.	1000	500	British Gas Corp. 10c	500	10	100	100	100	100
100 F.P.	1000	500	British Gas Corp. 10c	500	10	100	100	100	100
100 F.P.	1000	500	British Gas Corp. 10c	500	10	100	100	100	100
100 F.P.	1000	500	British Gas Corp. 10c	500	10	100	100	100	100

FIXED INTEREST STOCKS

Issue	Price	1975/6	1976/6	Stock	Uniting	Price	1975/6	1976/6	Stock
1000 F.P.	1000	1000	1000	1000	1000	1000	1000	1000	1000
1000 F.P.	1000	1000	1000	1000	1000	1000	1000	1000	1000
1000 F.P.	1000	1000	1000	1000	1000	1000	1000	1000	1000
1000 F.P.	1000	1000	1000	1000	1000	1000	1000	1000	1000
1000 F.P.	1000	1000	1000	1000	1000	1000	1000	1000	1000
1000 F.P.	1000	1000	1000	1000	1000	1000	1000	1000	1000
1000 F.P.	1000	1000	1000	1000	1000	1000	1000	1000	1000
1000 F.P.	1000	1000	1000	1000	1000	1000	1000	1000	1000
1000 F.P.	1000	1000	1000	1000	1000	1000	1000	1000	1000
1000 F.P.	1000	1000	1000	1000	1000	1000	1000	1000	1000

"RIGHTS" OFFERS

Issue	Price	1975/6	1976/6	Stock	Uniting	Price	1975/6	1976/6	Stock
1000 F.P.	1000	1000	1000	1000	1000	1000	1000	1000	1000
1000 F.P.	1000	1000	1000	1000	1000	1000	1000	1000	1000
1000 F.P.	1000	1000	1000	1000	1000	1000	1000	1000	1000
1000 F.P.	1000	1000	1000	1000	1000	1000	1000	1000	1000
1000 F.P.	1000	1000	1000	1000	1000	1000	1000	1000	1000
1000 F.P.	1000	1000	1000	1000	1000	1000	1000	1000	1000
1000 F.P.	1000	1000	1000	1000	1000	1000	1000	1000	1000
1000 F.P.	1000	1000	1000	1000	1000	1000	1000	1000	1000
1000 F.P.	1000	1000	1000	1000	1000	1000	1000	1000	1000
1000 F.P.	1000	1000	1000	1000	1000	1000	1000	1000	1000

Remuneration data usually last day for dealing free of stamp duty. * Placing offer to public. * Figures based on prospectus estimate. * Dividend rate paid of payable on part capital cover based on full capital. * * * * *
* Figures based on prospectus or other official estimate for 1976.
* Figures assumed for conversion of shares on new raising for dividends or raising only for restricted dividends. * Issued by tender.
* Offered to holders of ordinary shares as "rights." * 20c S.A. costs. * Rights by way of compensation. * Tender submitted. * Introduced. * Issued in connection with reorganisation, merger or take-over. * Introduction. * Issued to former preference holders. * Allotment letters (or fully-paid). * Provisional or partly-paid allotment letters. * With warrants.

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Barclaytrust Pensions Services
Juxon House, 94 St. Paul's Churchyard
London EC4M 8EH
Telephone: 01-248 9155

BARCLAYTRUST

A MEMBER OF THE BARCLAYS GROUP

London and Gartmore revenue fall

A substantial reduction of funds on deposit has caused gross revenue of London and Gartmore Investment Trust to drop from £135,946 to £95,827 for the half-year to December 31, 1975.

Net revenue attributable to shareholders was 2.83p compared with 3.46p, after tax of 5.39p against 5.27p, 1975.

The sharp fall was forecasted by the chairman, Sir W. Nicholas Carter, in the last annual report, in which he said the trust had moved substantially back into equities and expected to remain fairly fully invested during the current year with a consequent drop in deposit interest.

Stated earnings per 50p share dropped from 0.817p to 0.622p. There is no interim dividend against 0.21p net test time, but the directors forecast a final of not less than 0.21p (nil) in future the trust will only pay a final dividend. Last year's special dividend of 0.55p was paid.

Net assets per share stood at 67p at December 31 (69p at June 30, 1975) before taking into account the premium arising on the surplus on the dollar loan, which amounted to 1.3p per share at end-1975 (1.5p). At January 31, 1976, the net assets, including the premium on the surplus on the dollar loan were 82p.

No allowance has been made for the loss of premium which would arise on the sale of certain foreign currency securities. At end-1975 this contingent liability amounted to £169,078 (£194,174).

Further delay in C. H. Bailey accounts

The directors of dry dock owners and ship repairers, C. H. Bailey, propose to further adjourn the annual meeting, which was to be held on March 19.

They explain that it has still not been possible to complete the printing of the accounts for the period to April 4, 1975, in time to post them to members, 21 days before the AGM.

The meeting will be adjourned for such time as will ensure that not less than 21 days will have elapsed between posting of the accounts and the date of the second adjourned meeting.

A similar notice has been issued regarding the subsidiary Allseas Shipping Services.

Lloyds Life Assurance

Premiums net of reinsurance of the Lloyds Life Assurance life assurance and annuity fund were £1,817,751 for the nine months ended September 30, 1975 compared with £2,814,811 for the previous year.

Investment income came to £1,271,859 for the period against £1,583,683, and there was an increase in the value of investments of £2,444,524 (decrease £2,127,435).

Claims net of reinsurance amounted to £1,065,400 (£1,507,856) and there was a net loss on realisation of investments of £78,865 (£1,069,605). After a transfer to the profit and loss account of £100,000 (£703,764 from the profit and loss account), the fund stood at £13.58m. (£12.59m.) at the end of the period.

Investments at September 30 amounted to £18.77m. (£18.62m.).

The changing face of distribution

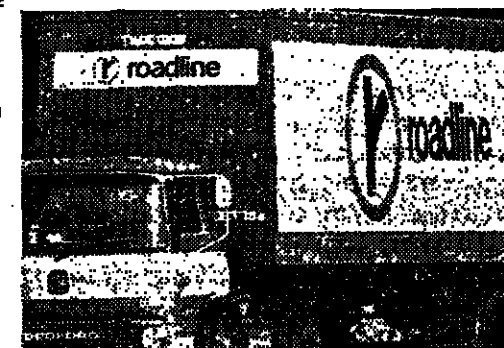
The Roadline symbol stands for specialised distribution services on a national scale. And it stands for change, to match the constantly changing face of distribution.

Roadline adapts to the changes as they happen, devising new services to meet new demands, taking fresh looks where fresh looks are needed.

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Roadline is distribution. From start to finish, from city-to-city trucking to local collection and delivery, from short-term warehousing to C.O.D., from delivery only services to small parcels work, from specialist advice to complete distribution programming.

Distribution is now the business of the specialist. Roadline. Our main area offices are shown below. Wherever you are, whatever you need, ring Roadline.



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Passports to cost £2 more from March 15

THE COST of a passport will go up by £2 on March 15 to £2. The larger—84-page—passports will go up by £4 to £16.

Other increases will take a visitor's passport to £4 (a rise of £1), and a collective passport to £8 (up £2). Renewal of an existing passport will rise to £3 an increase of £1.

Applications received by, or postmarked, March 14 will be accepted at the old fees.

The Foreign Office said yesterday that the increases, which include passport, consular and visa services, were needed because of the rise in costs at the passport offices in Britain and of consular services overseas.

Highland industrial exhibition

THE Highland Regional Council, which covers most of northern Scotland, will mount a major industrial promotion campaign with an exhibition of design achievements at the Design Centre in London, starting on April 28.

With the intention of creating new jobs by attracting investment and marketing opportunities for local firms, the exhibition will highlight tourism and the remarkable industrial growth and technological advances being made. The HRC will also organise briefings with potential investors.

Soviet plastic plant imports worry UK

Financial Times Reporter
THE BRITISH Plastics Federation is likely to decide next week to ask the Department of Trade to mount an anti-dumping investigation into imports of plastics machinery into the U.K. from the Soviet Union.

The federation is concerned that Russian-built injection moulding equipment is being offered in the U.K. at as much as 40 per cent below the price charged by domestic manufacturers. It is felt increased penetration by the Russians could seriously weaken the U.K. plastics machinery manufacturing sector and prevent it from taking advantage of an upturn in demand as the world recession comes to an end.

The federation believes some £500,000 worth of machines have already been imported with a number entering the U.K. through a third country. It has also been established that some misclassification has taken place with some of the machines entering the country classified for use in rubber, and not plastics processing.

The Russians have been able to step up their imports into the U.K. in part as a result of concessions made in the Anglo-Russian trade pact signed last year by the Prime Minister. Pressure is also being brought by the federation for clauses in the agreement to be revised to reduce the threat posed by cheap Russian imports to U.K. manufacturers.

MINING NEWS

CGFA loses \$2.88m. and passes interim

BY KENNETH MARSTON, MINING EDITOR

THE WARNING given last year by Sir Brian Massey-Greene that the current year to next June would be "very difficult" for Consolidated Gold Fields Australia is followed by news of a half-year loss of \$2.88m. (£1.73m.) and the omission of an interim dividend. In the previous full 12 months CGFA made a net profit of \$7.46m. and paid an interim of 7 cents followed by a final of 5 cents.

Once again, we have a story of rising costs and depressed markets for the company's production. CGFA says that the mineral sands, tin and coal companies have made contributions to group earnings, but "significant" losses have been sustained by copper and iron interests: copper prices have fallen and there have been reduced deliveries of iron ore.

As already announced, the group's loss-making Mount Lyell copper mine in Tasmania is seeking to raise some \$12m. (£7.5m.) via an offer of Renison shares to its shareholders in order to stay in business pending a substantial recovery in the copper price. Renison is making profits, but these are being checked by its shareholdings in order to impose by the International Tin Council.

As far as the current half-year is concerned, CGFA expects that its shareholders in order to a limited extent, but the directors are "not at all confident" that the loss now reported can be significantly reduced. Consolidated Gold Fields has a 98 per cent stake in CGFA; the shares of the latter were 13p down at 223p yesterday.

OK TEDI: BHP SEEKS PARTNERS

Australia's Broken Hill Proprietary has been holding talks with U.S. and European copper concerns on forming a consortium to further explore and develop the Ok Tedi copper deposit in Papua New Guinea. A company spokesman declined to name any of the companies involved in the discussions but said that BHP had kept in contact with America's Kennecott Copper.

The latter company withdrew from the Ok Tedi prospect last April, after having spent some \$10m. (£6.2m.) in proving up reserves, when it failed to reach agreement with the PNG Government on development terms.

Since then, work on the prospect, in the Star Mountains in north-west Papua, has been carried on by the Government which in January initiated a five-month test drilling programme to establish total reserves. Last estimates were 150m. tonnes grading 0.9 per cent. porphyry copper.

In a statement on the drilling, the PNG Prime Minister, Mr. Michael Somare, says that so far three vertical holes have been put down along the southern perimeter of the main orebody.

UCI and Geduld

CAUTIOUS views of 1978 prospects for the Union Corporation group's UCI Investments and Geduld Investments are expressed by the companies' chairmen in their respective annual reports. Pointing to the near-term uncertainties facing the gold price and the fall in the market for platinum, Mr. E. Pavitt anticipates "a difficult year" for UCI.

He makes the point, however, that the heavy profit retentions previously made by UCI and Geduld to assist in financing its expansion programme should now reduce progressively and thus provide Impala's profits are reasonably well maintained, UCI can look forward to increasing dividend income from this source.

Mr. H. A. Smith thinks it unlikely that Geduld's investment income will grow at the same rate as in 1977 when it rose to \$2.25m. (£1.29m.) from \$1.83m. and he feels that South African taxation may have to be increased in order to meet defence and other State spending.

At end-1977, Geduld's investment market value of \$28.3m. (£15.1m.), the net asset value being equal to 622 cents (\$35p) per share. The shares were 243p in London yesterday while those of UCI were 195p; the latter's investments had an end-1977 market value of \$101.1m. (£57.3m.) and a net asset value equal to the 309 cents (281p) per share. Included in the 1977 results of the parent, Union Corporation, are due next week.

UTAH DEVP. SEES HIGHER PROFITS

A further rise in profits in the current year to October 31 is expected by the directors of Australia's Queensland coal producer Utah Development Corporation, according to Sir Byrne Hart, chairman of the company's Australian board. The latter company

BIDS AND DEALS

Electronic Machine Co. has acquired a majority interest in Davin Optical, North London manufacturers of specialist lenses and lens systems. The acquisition will expand the facilities and technology of EMC's existing optical and ophthalmic interests and bring in manufacturing capabilities of lenses for EMC's interests in low light and thermal technology, for which it is currently dependent on outside sources.

EMC will invest about \$50,000 to cover the cost of the acquisition and future expansion of Davin, and it is anticipated that Davin will make a "small contribution" to group profits for the current year ending April 30, 1978.

EVODE EXPANDS IN FRANCE

Evode Holdings has acquired an 80 per cent interest in Societe Chimique EMFI, a French manufacturer of adhesives, situated in Haguenau, near Strasbourg. This investment will enable the group considerably to expand its activities in France. The Austrian and Swiss markets can be served from the new location the Evode directors say.

The 80 per cent stake was acquired for Frs300,000 (£23,000), and a loan of Frs700,000 (£54,000) is being made to the company. EMFI has annual sales in excess of Frs12m. (£1.3m.) and at the current level "breaks even". By broadening its site and with the introduction of improved financial control systems, it is planned quickly to make this company a significant profit earner for the group. Current markets served are, in many instances, complementary and very similar to those which Evode serves in the U.K. and worldwide.

ASSAM CONSOL.

The offer by Hampton Trust for the issued capital of Assam Consolidated Tea Estates, other than the 2,038 Participating Preference Stock units and the 9,500 Ordinary units already held, is subject to the condition that Hampton obtains acceptances in respect of both over 50 per cent of the Ordinary units and of stock carrying over 50 per cent of the voting rights.

It is also conditional on consent of the trustee of Hampton's 4 per cent Convertible Secured Loan Stock 1977-79 being obtained to the acquisition of Assam's Participating Preference, and to approval at an extraordinary meeting of Hampton of an increase in the capital to implement the offer.

As already stated, the Board of Assam will be considering this offer in consultation with Robert Fleming and Co. and will advise shareholders in due course. In the meantime, they strongly urge holders to take no action in respect of their shares.

GRAMPIAN TV SALE

Gramplan Television is selling the last of its limousine hire, vehicle repairs, servicing and petrol and sundry sales assets of its subsidiary Campbell and Sellar to the Town and Country Motor Garage for £10,000 cash plus value of net current stock at the date of takeover, March 1.

SELLING 98%

BRITISH STEEL

MAKES NEAR

RECORD PROFIT

FOR

TRUMANN'S STEEL

Turnover for the year ended 31st August, 1975 exceeded £8m. for the first time.

Turnover and Profitability would have been substantially greater if advantage had been taken of the availability of imported products.

A more flexible policy with regard to both purchasing and sales has resulted in a substantial increase in turnover which should comfortably exceed £10m. in the current year.

A. J. Fletcher, Managing Director

Eiffel Foundry Company Ltd., Moss Lane, Walkden, Manchester.

BAKERS STORES

Results for the 52 weeks ended 27 September, 1975

"A record year in every way"

	1975	1974
Turnover	£1.67m.	£1.20m.
Net Profit Before Tax	£155,915	£102,152

"The first three months' period to Christmas of the current year has been very encouraging, and shows a satisfactory increase in turnover and profitability, and I can only hope that the economic situation is contained, in order that we may look forward to another record year."

B. Baker, Chairman

Directors recommended a final dividend of 0.365p per 10p share making a total of 0.67p per share for the year.

BAKERS HOUSEHOLD STORES (LEEDS) LTD.

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01-406 8744

International Energy Bank Limited

Winchester House 100 Old Broad Street London EC2M 1BE
Tel: 01-628 2991 Telex: 8811511

Summary of Audited Accounts for the year ended 31st December 1975

Profit and Loss Account	1975	1973/74
Operating profit	973,218	710,518
Taxation	535,314	426,000
Profit after taxation	437,904	284,518
Share issue and formation expenses		114,423
Retained profit	£ 437,904	£ 170,095

Balance Sheet	31.12.75	31.12.74
Shareholders' Funds		
Authorised - 200,000 shares of £100 each	£20,000,000	£20,000,000
Issued - 200,000 shares of £100 each	10,000,000	10,000,000
£50 paid	607,999	170,095
Retained profit to date	10,607,999	10,170,095

Deferred Taxation	146,000	60,000
Current Liabilities		
Current and deposit accounts	71,624,433	29,810,277
Corporation tax	447,961	366,000
Creditors and accruals	693,692	680,627
	£83,522,085	£41,086,999

Current Assets		
Cash, balances at bankers, money at call and short notice	16,547,126	10,102,600
Loans and advances	37,043,279	23,175,321
Not exceeding one year	735,094	519,941
Debtors and prepayments	54,325,499	33,797,862

Term Loans		
Maturing after 31st December 1976	28,883,548	7,171,546
Fixed Assets	313,038	117,591
	£83,522,085	£41,086,999

Shareholders
Bank of Scotland
Banque Worms
Barclays Bank International Limited
Canadian Imperial Bank of Commerce
Republic National Bank of Dallas (through its subsidiary)
Société Financière Européenne - (SFE)

Notice of Issue

Application has been made to the Council of The Stock Exchange for the undermentioned Stock to be admitted to the Official List.

MID-SUSSEX WATER COMPANY

(Incorporated in 1898 by Act of Parliament)

Authorized Share and Loan Capital £19,000,000

OFFER FOR SALE BY TENDER OF
£1,250,000

8 per cent REDEEMABLE PREFERENCE STOCK, 1981

(which will mature for redemption at par on 8th March, 1981)

Minimum Price of Issue £98½ per £100 Stock

yielding at that price, together with the associated tax credit at the current rate, £12.495 per cent, or to redemption (assuming continuance of that rate) £12.722 per cent.

LAST DAY FOR RECEIPT OF TENDERS

WEDNESDAY, 3RD MARCH, 1978

(not later than 11 a.m. at Close-Meston Registrars Limited, Fourth Floor, Finlay House, 82/84 Fenchurch Street, London EC3M 4BY)

together with a deposit of 10 per cent of the nominal amount of Stock tendered for. The balance of the purchase money is to be paid on or before 8th March, 1978.

AN AUTHORIZED INVESTMENT FOR TRUSTEES IN THE NARROWER RANGE

A Form of Tender is embodied in the Prospectus, on the terms of which alone tenders will be considered and copies may be obtained from the offices of the Company, 8 Bolso Road, Haywards Heath, Sussex; also from Barclays Bank (London and International) Limited, New Issue Department, 2 London Wall Buildings, London EC2, or the Registrars, Close-Meston Registrars Limited, and from

DENNIS MURPHY, CAMPBELL & COMPANY

Finsbury House, 22 Blomfield Street, London EC2M 7AS.

Abridged Particulars

European Banking Company Limited

Directors

C.F. Karsten Chairman
*F.J. Hoogendijk
Amsterdam-Rotterdam Bank NV
S.M. Yassukovich Managing Director
A. Monti
*E. Braggiotti
Banca Commerciale Italiana SpA
G.N. Schmidt-Chiari
*O.K. Finsterwalder
Creditanstalt-Bankverein
W. Guth
*E.W. von Heyden
Deutsche Bank AG
M.G. Wilcox
*J. Hendley
Midland Bank Limited
P.E. Janssen
*E. de Villegas de Clercamp
Société Générale de Banque SA
M. Vienot
*D. Hua
Société Générale (France)
I.T.H. Logie Deputy Managing Director
J.C. Chandler Executive Director and Secretary
W.R. Slee Executive Director
P. Jeanty
H. Kippenberger
Banque Européenne de Crédit (BEC)
*Alternates

Balance Sheet as at 31st December, 1975

ASSETS	£
Cash in hand, balances with bankers and money at call and short notice	26,679,186
Bank certificates of deposit and promissory notes	35,022,828
Other deposits with banks	58,853,676
Investments	3,532,977
Loans, advances and other accounts	102,152,496
Assets leased to clients	625,290
Fixed assets	483,713
	£227,350,166
LIABILITIES	
Current and deposit accounts	208,158,623
Other liabilities	5,696,291
Taxation	1,774,967
	215,629,881
SHARE CAPITAL AND RESERVES	
Share capital	10,175,000
Retained profit	1,545,285
	£227,350,166

Extracts from the Chairman's Statement:

"During 1975, the Bank made substantial progress in all areas of its activity. Profit before tax amounted to £2,129,485, representing a rise of 73% over the pre-tax profit reported for the seventeen months covered by our first Annual Report. Profit after tax also registered a satisfactory gain of 85%, amounting to £1,002,485, compared with £542,800 for the previous period."

"In assessing the future, much depends on the economic situation in general and the developments in the international capital markets in particular, but we have every hope of a continuing expansion in our business."

Copies of the Annual Report and Accounts can be obtained from the Registered Office: 40 Basinghall Street, London EC2P 2DY. Telephone: 01-638 0401 Telex: 8811001 and the Chicago Office: 115 South La Salle Street, Chicago, Illinois 60603. Telephone: 312 368 8900 Telex: 253852

Member Banks:

Amsterdam-Rotterdam Bank NV Banca Commerciale Italiana SpA Creditanstalt-Bankverein
Deutsche Bank AG Midland Bank Limited Société Générale de Banque SA Société Générale (France)

NOTICE OF REDEMPTION

To the Holders of:
TELEFONOS DE MEXICO, S.A.

7 1/2% Sinking Fund Dollar Debentures due April 1, 1978
Issued under Indenture Dated as of April 1, 1968

NOTICE IS HEREBY GIVEN that pursuant to the provisions of the above-mentioned Indenture, \$962,000 principal amount of the above described Debentures have been selected for redemption on April 1, 1976, through operation of the Sinking Fund, at the principal amount thereof, together with accrued interest to said date as follows:

DEBENTURES OF \$1,000 EACH	
M 24	600 1076 1086 1912 3348 3324 4682 7371 8078 8681 9046 9429 9768 10146 10981 11627
27	602 1078 1088 1914 3350 3326 4684 7373 8079 8683 9048 9431 9769 10149 10983 11629
30	604 1080 1090 1916 3352 3328 4686 7375 8081 8685 9050 9433 9771 10151 10985 11631
33	606 1082 1092 1918 3354 3330 4688 7377 8083 8687 9052 9435 9773 10153 10987 11633
36	608 1084 1094 1920 3356 3332 4690 7379 8085 8689 9054 9437 9775 10155 10989 11635
39	610 1086 1096 1922 3358 3334 4692 7381 8087 8691 9056 9439 9777 10157 10991 11637
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51	618 1094 1102 1930 3366 3342 4700 7389 8095 8699 9064 9447 9785 10165 10999 11645
54	620 1096 1104 1932 3368 3344 4702 7391 8097 8701 9066 9449 9787 10167 11001 11647
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66	628 1103 1111 1940 3376 3352 4710 7399 8105 8709 9074 9457 9795 10175 11009 11655
69	630 1105 1113 1942 3378 3354 4712 7401 8107 8711 9076 9459 9797 10177 11011 11657
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Beer market forecast to grow 20% by 1985

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE U.K. BEER market will show a slight fall during the next two years but by 1985 will have produced growth of more than 20 per cent, from 40.7m. barrels to 49m. barrels, according to the Brewers' Society's statistics advisory group.

Practically all of the increase will be accounted for by draught beer sales. Packaged beer is expected to show no growth, but major changes are expected in this sector.

Reflecting a development of the U.K. BEER MARKET FORECAST million bulk barrels

	1975	1977	1985
Total market	40.7	40.5	49.0
Total draught	30.6	31.0	39.0
In keg	17.1	18.4	29.0
In cask	8.1	7.2	4.3
In tank	5.4	5.4	5.7
Total packaged	10.1	9.5	10.0
In returnable bottles	6.9	5.5	3.0
In non-returnable bottles	0.2	0.2	0.2
In cans	3.0	3.8	6.8

Sources: Brewers Society Statistics Advisory Group.

*Majority opinion.

the take-home trade in supermarkets, sales of beer in cans are forecast to rise by 126.6 per cent from 3m. barrels in 1975 to 6.8m. barrels in 1985.

Sales of beer in non-returnable bottles, again sold mainly through the take-home outlets, should remain at around the 200,000-barrel mark.

Beer in returnable bottles, sold almost entirely through public houses and similar "on" licensed establishments, will see

a sharp decline—56.5 per cent from 6.9m. to 3m. barrels. The brewers expect 1976 sales to slip by 1.2 per cent to 40.2m. barrels against the 4 to 5 per cent increases during the previous two years and the usual 2 to 3 per cent market growth rate. There should be some improvement to 40.5m. barrels in 1977, and by 1979 sales will have recovered to 42.7m. barrels.

Containers

The forecasts appear in the Brewers Society magazine *Brewing Review*, and were prepared by the statistics advisory group to meet the demands of the manufacturers of various types of container so that they could plan production to meet likely future requirements.

It would be wrong to treat the forecasts as an "official" Brewers Society view of the future, the society emphasises, but it adds: "It is, however, the combined view of individuals who have expert knowledge about the beer market."

The forecasters have presented a "majority opinion" and an "alternative view" of future sales by container, and these views differ radically in forecasts dealing with the years beyond 1977.

However, the majority opinion is that the increase in sales of draught beer in "keg" containers will continue to rise steeply and should be up 69.5 per cent from 17.1m. to 29m. barrels by 1985. Meanwhile, the fall in sales of beer delivered in cask could show a 47 per cent drop, from 8.1m. to 4.3m. barrels. Sales of tank beer will remain roughly around the 5.5m. barrel mark.

The assumptions were based on the prediction that the U.K. economy will not improve in 1976 and any upward change in the following year would begin to affect beer consumption only from 1978 onwards.

Electoral statistics for 1975

ELECTORAL Statistics for England and Wales, 1975—published yesterday—contains details of the numbers of parliamentary and local government elections in the Register which came into force on February 16 last year.

The only local government elections held in England and Wales during the currency of the 1975 Register were in the Metropolitan districts and an analysis of these elections is

Top restaurants hit by recession says Food Guide

AUSTERITY and hard times have hit the catering industry, causing many fine restaurants to close down during the past 12 months, Mr. Christopher Driver, editor of *The Good Food Guide*, said in London yesterday.

This had been particularly true of London, "where there have been many eminent casualties among the good restaurants," he said at the launching of the 1976 guide.

Hard economic conditions in the past year had meant that the reckoning had arrived for restaurants. Although it was deserved, overdue, and foreseen in many cases, he added, "many fine establishments were swept away in the financial downpour" along with the second-rate restaurants.

The guide awards 66 distinction symbols to 59 establishments, compared with last year when 94 distinctions were granted to 71 British and Irish restaurants.

Mr. Driver said: "A lot of good places have gone, notably *The Caprice* in London, and for those that remain it is harder simply to be viable and keep up good standards and conditions and style."

He refused to comment on the omission of *The Mirabelle* and *The White Tower* in London and *The Bell at Aston Clinton*, Bucks., which had been listed for 24 years. For the first time the guide contains a list of restaurants

which try to control or stop smoking.

It also lists wine bars and says that pubs providing food are often "their own worst enemies." They make life as difficult as possible for themselves and their customers "by offering food fundamentally unsuitable to their own resources or their customers' situation."

Suitable food was that which could be prepared in advance, served cold or heated without spoiling. It could be eaten with the fingers or just a fork.

"Slippery salads and muddled-up shepherd's pie are not an idea of bliss," says the guide. Over 1,200 pubs, wine bars, hotels and restaurants throughout Britain and the Republic of Ireland are covered in the guide—price £3.50 and published by *The Consumers' Association* and *Hodder* and *Stoughton*.

Spain orders £3m. shovels

J. C. BARNFORD Excavators, Staffordshire, announced a £3m. export order from Spain yesterday for 100 mechanical loading shovels.

The order, from local authorities and contractors, is the result of a visit by Spanish local government officers and businessmen to the factory last year.

Restrictive practices in services curb soon

By A. H. Mermann

IF THERE is any doubt whether an agreement is subject to registration under the Restrictive Trade Practices (Services) Order 1976, the best course is for companies to consult the Fair Trading Office before June 21.

This was the advice offered by Mr. Philip Harris, Director of Restrictive Practices, to a meeting convened by the European Study Centres in London.

The meeting, attended by many representatives of service industries, received briefing on the extension of restrictive practices legislation which will come into force on March 22.

From that date, parties operating restrictive agreements concerning the commercial supply of services will have three months in which to register them or to give them up.

The three months' grace applies only to agreements in existence before March 22. New agreements must be reported to the Fair Trading Office before the date on which the agreed restrictions are intended to become operative, but not later than three months from the date of the agreement.

Procedure for registration has been determined by the Director-General of Fair Trading in the Registration of Restrictive Trading Agreements Regulations, 1976 (S.I. No. 183).

Mr. Harris said the FTO is prepared to discuss with parties or their advisers whether an agreement is registrable and, if so, what documents should be furnished.

"I would hope that too many agreements are not held back for registration in the few weeks or even days immediately preceding June 21," said Mr. Harris and warned firms that the FTO can extend the time for registration only if application is made before the time limits have expired, specifying the further time requested and the reason why it is impracticable to furnish particulars within the proper time.

Money supply unit criticised

By Michael Blandin

THE MEASURES of money supply currently in use have serious deficiencies as a guide to monetary policy, it is argued by stockbrokers Phillips and Drew.

The most commonly used indicator, the more widely-based money supply figure (M3), is a misleading indicator even of the level of liquid asset holdings in the economy, the brokers say in their latest monograph.

An official shift of emphasis to the alternative measure of domestic credit expansion (DCE), which takes more account of external liabilities, was implicit in the Chancellor of the Exchequer's letter to the International Monetary Fund, they suggest. While welcoming this move, DCE itself has weaknesses, Phillips and Drew argue.

The money supply measures commonly in use, M3 and the more narrowly-based M1, the monograph argues, are aimed at measuring something distinct from the supply of money available to finance economic transactions. They measure rather the level of non-bank liquid asset holdings.

Selwyn Lloyd wants more Commons TV

THE MORE the House of Commons could be exposed to television and radio, the better, Mr. Selwyn Lloyd, the former Speaker, said yesterday.

"It is most important that people should see and hear what the House is doing," Mr. Lloyd, who is going to the House of Lords, told a Parliamentary Press Gallery luncheon "Parliament must come much more into the public eye and ear."

He said that the broadcasting experiments were a great success, and he would like to see the House in the Commons had deteriorated.

"We have our difficult MPs," he said, to laughter. "But I really do not think that standards of behaviour have changed very much compared with standards before outside. In fact, our standards have improved their own, and have Central constituency. He has improved relatively. Standards have been elected by 70,000 outside the House have deteriorated much more than those of the Commons, but within it."

He thought that there could be a reform where certain circumstances of a similar character choose their MPs with wide differing votes.

As an example, he gave the difference between his former seat of Wirral and the Newcastle seat of Central constituency. He had been elected by 70,000 outside the House have deteriorated much more than those of the Commons, but within it."

Speaking of the EEC and the sovereignty of Parliament, Mr. Lloyd said: "Westminster has survived for 700 years. I do not think it will be eliminated this brave new world."

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All these Notes having been sold, this announcement appears as a matter of record only.



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Algemeene Bank Nederland N.V.	A. E. Ames & Co. Ltd.	Andelsbanken A/S Danabank	Andresen Bank A.S.
Arnhold and S. Bleichroeder, Inc.	Bache Halsey Stuart Inc.	Jalios Baer International Limited	Banca Commerciale Italiana
Banca Nazionale del Lavoro	Banco di Roma	Bank of America International	Bank Gutzwiller, Kurz, Baugener (Overseas) Limited
Bank of Helsinki Ltd.	Bank Mees & Hope NV	The Bank of Tokyo (Holland) N.V.	Bankhaus Hermann Lampe KG
Banque Bruxelles Lambert S.A.	Banque Européenne de Tokyo	Banque Française du Commerce Extérieur	
Banque Française de Dépôts et de Titres	Banque de l'Indochine et de Suez	Banque Internationale à Luxembourg S.A.	
Banque de Neufilze, Schlumberger, Mallet	Banque Populaire Suisse SA Luxembourg	Banque Privée S.A.	
Banque Worms	Baring Brothers & Co., Limited	Bayerische Hypotheken- und Wechsel-Bank	Bergea Bank
Blyth Eastman Dillon & Co. International Limited	Citicorp International Bank Limited	Commerzbank Aktiengesellschaft	Compagnia Finanziaria Interbancaria S.p.A.
Compagnie de Banque et d'Investissements (Overseas) S.A.	Compagnie Européenne de Placements	Crédit Commercial de France	
Crédit Industriel et Commercial	Crédit Lyonnais	Crédit du Nord et Union Parisienne	Creditanstalt-Bankverein
Credito Italiano	Daiwa Europe N.V.	The Deltac Banking Corporation Limited	Den Danske Landmandsbank
Den Danske Provinsbank A/S	Den norske Creditbank	Deutsche Girozentrale —Deutsche Kommunalbank—	Dillon, Read Overseas Corporation
Dominion Securities Corporation Harris & Partners Limited	Dresdner Bank Aktiengesellschaft	Effektenbank-Warburg Aktiengesellschaft	Euroseas Securities Limited
Faelsbanken for Danmarks Sparekasser A/S	Finacur	First Chicago Limited	Robert Fleming & Co. Limited
Genossenschaftliche Zentralbank AG Vienna	Antony Gibbs Holdings Ltd.	Girozentrale und Bank der Österreichischen Sparkassen Aktiengesellschaft	Fuji Kleinwort Benson Limited
Goldman Sachs International Corp.	Greenshields Incorporated	R. Henriques jr. Bank-Aktieselskab	Hessische Landesbank-Girozentrale
Hill Samuel & Co. Limited	E. F. Hutton & Co. N.Y.	Istituto Bancario San Paolo di Torino	Kidder, Peabody International Limited
Kjohensvans Handelsbank	Kleinwort, Benson Limited	Kreditbank S.A. Luxembourggoise	Kuhn, Loeb & Co. International Limited
Lazard Frères et Cie.	Lazard Frères & Co.	Lehman Brothers Incorporated	Loeb, Rhoades & Co.
London & Continental Bankers Ltd.	London Multinational Bank (Underwriters) Limited	McLeod, Young, Weir & Company Limited	
Mamfahrsen Hanover Limited	Mercantile Bank S.A.	Merrill Lynch International & Co. Limited	Samuel Montagu & Co. Limited
Morgan Grenfell & Co. Limited	Morgan Stanley International	Nederlandsche Middenstandsbank N.V.	Nesbitt, Thomson Limited
The Nikko Securities Co., (Europe) Ltd.	Nomura Europe N.V.	Norddeutsche Landesbank Girozentrale	Nordfinanz-Bank
Nordic Bank Limited	Orion Bank Limited	Paine Webber Jackson & Curtis International S.A.	Pierson, Holding & Pierson N.V.
Privatbanken Aktiengesellschaft	N. M. Rothschild & Sons Limited	Salomon Brothers Limited	J. Henry Schroder Wagg & Co. Limited
Société Générale	Société Générale de Banque S.A.	Société Séquanaise de Banque	Sparbankernes Bank Aktiengesellschaft
Strauss, Turnbull & Co.	Sumitomo White Weld Limited	Vereins- und Westbank Aktiengesellschaft	M. M. Warburg-Brinckmann, Wirtz & Co.
Warburg Paribas Becker Inc.	Westdeutsche Landesbank Girozentrale	White, Weld & Co. Incorporated	Yamaichi International (Europe) Limited

NOTICE OF REDEMPTION

To the Holders of

Comalco Limited

10% Notes Due 1987

Issued under Indenture dated as of April 1, 1975

NOTICE IS HEREBY GIVEN that pursuant to the provisions of the above-mentioned Indenture, \$1,000,000 principal amount of the above described Notes have been selected for redemption on April 1, 1976, through operation of the Sinking Fund, at the principal amount thereof, together with accrued interest to said date, as follows:

NOTES OF \$1,000 EACH																			
21	1417	2897	4434	5832	7480	8876	10622	12209	13758	15251	16897	18321	19469	21055	22123	23390	24748	26196	27734
48	1469	3005	4474	5864	7520	8920	10666	12253	13769	15271	16896	18240	19578	21165	22233	23500	24858	26306	27844
75	1521	3067	4536	5926	7582	8982	10728	12315	13821	15323	16948	18292	19630	21217	22285	23552	24910	26358	27896
102	1573	3119	4588	5978	7634	9034	10780	12367	13873	15375	16999	18343	19681	21268	22336	23603	24961	26409	27947
129	1625	3171	4640	6030	7686	9086	10832	12419	13925	15427	17051	18395	19733	21320	22388	23655	25013	26461	28000
156	1677	3223	4692	6082	7738	9138	10884	12471	13977	15479	17103	18447	19785	21372	22440	23707	25065	26513	28051
183	1729	3275	4744	6134	7790	9190	10936	12523	14029	15531	17155	18499	19837	21419	22487	23754	25117	26565	28099
210	1781	3327	4796	6186	7842	9242	10988	12575	14081	15583	17207	18551	19889	21467	22539	23806	25169	26617	28147
237	1833	3379	4848	6238	7894	9294	11040	12627	14133	15635	17259	18603	19941	21515	22591	23858	25221	26669	28195
264	1885	3431	4900	6290	7946	9346	11092	12679	14185	15687	17311	18655	20000	21563	22643	23910	25273	26721	28243
291	1937	3483	4952	6342	7998	9398	11144	12731	14237	15739	17363	18707	20052	21611	22695	23962	25325	26773	28291
318	1989	3535	4954	6344	7999	9399	11145	12732	14238	15740	17364	18708	20053	21612	22696	23963	25326	26774	28292
345	2041	3587	5006	6396	8051	9451	11197	12784	14290	15792	17416	18760	20104	21663	22747	24014	25377	26825	28343
372	2093	3639	5058	6448	8103	9503	11249	12836	14342	15844	17468	18812	20156	21715	22799	24066	25429	26877	28391
399	2145	3691	5110	6499	8155	9555	11301	12888	14394	15896	17520	18864	20208	21767	22851	24118	25481	26929	28439
426	2197	3743	5162	6551	8207	9607	11353	12940	14446	15948	17572	18916	20260	21819	22903	24170	25533	26981	28487
453	2249	3795	5214	6603	8259	9659	11405	12992	14498	16000	17624	18968	20312	21871	22955	24222	25585	27033	28535
480	2301	3847	5266	6655	8311	9711	11457	13044	14550	16052	17676	19020	20364	21923	23007	24274	25637	27085	28583
507	2353	3899	5318	6707	8363	9763	11509	13096	14602	16104	17728	19072	20416	21975	23059	24326	25689	27137	28631
534	2405	3951	5370	6759	8415	9815	11561	13148	14654	16156	17780	19124	20468	22027	23111	24378	25741	27189	28679
561	2457	4003	5422	6811	8467	9867	11613	13199	14706	16208	17832	19176	20520	22079	23163	24430	25793	27241	28727
588	2509	4055	5474	6863	8519	9919	11665	13251	14758	16260	17884	19228	20572	22129	23207	24482	25845	27293	28775
615	2561	4107	5526	6915	8571	9971	11717	13303	14810	16312	17936	19280	20624	22181	23259	24534	25897	27345	28823
642	2613	4159	5578	6967	8623	10023	11769	13355	14862	16364	17988	19332	20676	22233	23311	24586	25949	27397	28871
669	2665	4211	5630	7019	8675	10075	11821	13407	14914	16416	18040	19384	20728	22285	23363	24638	26001	27449	28919
696	2717	4263	5682	7071	8727	10127	11873	13459	14966	16468	18092	19436	20780	22337	23415	24690	26053	27501	28967
723	2769	4315	5734	7123	8779	10179	11925	13511	15018	16520	18144	19488	20832	22389	23467	24742	26105	27553	29015
750	2821	4367	5786	7175	8831	10231	11977	13563	15070	16572	18196	19540	20884	22441	23519	24794	26157	27605	29063
777	2873	4419	5838	7227	8883	10283	12029	13615	15122	16624	18248	19592	20936	22493	23571	24846	26209	27657	29111
804	2925	4471	5890	7279	8935	10335	12081	13667	15174	16676	18300	19644	20988	22545	23623	24898	26261	27709	29159
831	2977	4523	5942	7331	8987	10387	12133	13719	15226	16728	18352	19696	21040	22597	23675	24950	26313	27761	29207
858	3029	4575	5994	7383	9039	10439	12185	13771	15278	16780	18404	19748	21092	22649	23727	25002	26365	27813	29255
885	3081	4627	6046	7435	9091	10491	12237	13823	15330	16832	18456	19800	21144	22701	23779	25054	26417	27865	29303
912	3133	4679	6098	7487	9143	10543	12289	13875	15382	16884	18508	19852	21196	22753	23831	25106	26469	27917	29351
939	3185	4731	6150	7539	9195	10595	12341	13927	15434	16936	18560	19904	21248	22805	23883	25158	26521	27969	29399
966	3237	4783	6202	7591	9247	10647	12393	13979	15486	16988	18612	19956	21300	22857	23935	25210	26573	28021	29447
993	3289	4835	6254	7643	9299	10699	12445	14031	15538	17040	18664	20008	21352	22909	23987	25262	26625	28073	29495
1020	3341	4887	6306	7695	9351	10751	12497	14083	15590	17092	18716	20060	21404	22961	24039	25314	26677	28125	29543
1047	3393	4939	6358	7747	9403	10803	12549	14135	15642	17144	18768	20112	21456	23013	24091	25366	26729	28177	29591
1074	3445	4991	6410	7799	9455	10855	12601	14187	15694	17196	18820	20164	21508	23065	24143	25418	26781	28229	29639
1101	3497	5043	6462	7851	9507	10907	12653	14239	15746	17248	18872	20216	21560	23117	24195	25470	26833	28281	29687
1128	3549	5095	6514	7903	9559	10959	12705	14291	15798	17300	18924	20268	21612	23169	24247	25522	26885	28333	29735
1155	3601	5147	6566	7955	9611	11011	12757	14343	15850	17352	18976	20320	21664	23221	24299	25574	26937	28385	29783
1182	3653	5199	6618	8007	9663	11063	12809	14395	15902	17404	19028	20372	21716	23273	24351	25626	26989	28437	29831
1209	3705	5251	6670	8059	9715	11115	12861	14447	15954	17456	19080	20424	21768	23325	24403	25678	27041	28489	29879
1236	3757	5303	6722	8111	9767	11167	12913	14499	16006	17508	19132	20476	21820	23377	24455	25730	27093	28541	29927
1263	3809	5355	6774	8163	9819	11219	12965	14551	16058	17560	19184	20528	21872	23429	24507	25782	27145	28593	29975
1290	3861	5407	6826	8215	9871	11271	13017	14603	16110	17612	19236	20580	21924	23481	24559	25834	27197	28645	30023
1317	3913	5459	6878	8267	9923	11323	13069	14655	16162	17664	19288	20632	21976	23533	24611	25886	27249	28697	30071
1344	3965	5511	6930	8319	9975	11375	13121	14707	16214	17716	19340	20684	22028	23585	24663	25938	27301	28749	30119
1371	4017	5563	6982	8371	10027	11427	13173	14759	16266	17768	19392	20736	22080	23637	24715	25990	27353	28801	30167
1398	4069	5615	7034	8423	10079	11479	13225	14811	16318	17820	19444	20788	22132	23689	24767	26042	27405	28853	30215

Akzo losses swollen by Enka provision

BY OUR OWN CORRESPONDENT

ROTTERDAM, Feb. 26.

AKZO, the multinational fibre, chemical and food group, suffered a net loss of Fls.139m. in 1975 (against Fls.372m. profit in 1974). This does not include a provision of Fls.250m. covering losses from rationalisation measures at its shaly fibre operation Enka-Glanstoff.

The Board says that it proposes to pay no dividend in December the interim dividend also was passed; for 1974, the payment was Fls.5 per share.

The Board also reports that in the fourth quarter of 1975, sales of Akzo N.V. were substantially up compared with the preceding quarters of 1975 and compared with the fourth quarter of 1974, when sales were already distinctly depressed by recessionary trends. The

increase in sales was notably due to higher shipments of chemical fibres and chemical products, the directors reported. For the whole of 1975, sales were 10 per cent down compared with 1974.

Despite the increase in sales the fourth quarter again showed a loss, as a result of insufficient price levels for chemical fibres and continuing inadequate capacity utilisation in the chemical fibre plants in the EEC.

From the losses sustained in 1975, taxes have been deducted to the extent that they can be offset against the provisions for taxes charged to income in previous years, the directors point out.

In anticipation of its final determination, the Enka

Glanstoff provision is charged, in the form of an extraordinary item. In view of this, no taxes have been deducted from this provision.

Sales for 1975 as a whole were Fls.6,650m. against Fls.10,780m. previously. The net loss, after extraordinary items, was Fls.442m. against a profit of Fls.580m.

The net loss per share was Fls.6.39 before extraordinary items; and Fls.14.93 afterwards, against profits of Fls.12.55 and Fls.12.83 respectively in 1974.

The provision for inventory risks made at December 31, 1974, was added to the 1975 results in its entirety. As a consequence, the net loss was reduced by Fls.87m. For 1974, net income included inventory profits of Fls.110m.

Creusot-Loire rights issue

BY RUPERT CORNWELL

PARIS, Feb. 25.

CREUSOT-LOIRE, the major French steel and nuclear equipment concern, is planning a one-for-four rights issue next month which will raise its capital from the present Frs.294.6m. to Frs.366.3m.

At the same time the company's president, M. Jean Foguet, told a special meeting of shareholders to-day that the group's 1975 net earnings would be slightly down at Frs.40m., compared with Frs.46m. the previous year. The decline in gross cash flow was steeper, to Frs.210m. from Frs.311m. in 1974.

The subscription period for the new shares, which have a nominal value of Frs.100, runs from March 8 to April 7. The issue price has been pitched at Frs.130, a discount of some 18 per cent on to-day's closing Bourse price of Frs.161. The rights issue will yield Creusot-Loire a fresh Frs.96m. of funds.

M. Foguet gave no immediate reason for the move, saying simply that the group preferred a raise of money at a favourable and quiet moment rather than when events forced its hand. Nonetheless there can be little doubt that the expanded capital base will be more appropriate for a company whose consolida-

ted sales now run at something like Frs.800m. (2870m.) annually. Creusot-Loire is now effectively the Empain-Schneider group, following a dramatic takeover battle at the end of 1974 which pitted the Belgian-born Baron Edouard-Jean Empain against the Denain-Jest steel empire. Denain's rival Wendel, which allied itself to the Empain camp during the struggle is also a significant

shareholder and has already announced it will take up its part of the new stock.

Creusot-Loire's importance was further enhanced last year by the decision of the French Government to choose the pressurised water reactors built by its subsidiary Framatome under licence from Westinghouse Electric of the U.S., as the basis of the country's ambitious nuclear equipment programme.

UCC to become biggest holder in Nippon Carbon

TOKYO, Feb. 25.

NIPPON CARBON said Union Carbide (UCC) of the U.S. will become its leading shareholder with an 11.6 per cent interest, because the Japanese company will allocate new capital stocks exclusively to UCC.

Nippon Carbon said it decided to increase its capital to Y24.8bn. from the present Y24.2bn. by allocating 6.5m. new shares to UCC with payment required by April 9 at Y197 per share of Y50 par value.

At the same time, Nippon Carbon will buy UCC's entire holding in Shin Nippon Carbon which has a Y1.5bn. capital shared equally by UCC and Nippon Carbon.

Shin Nippon Carbon is a joint venture company created by UCC and Nippon Carbon to manufacture artificial graphite electrodes under licence from UCC, Nippon Carbon said. Reuters

Dwindling ratios at Handelsbanken

BY WILLIAM DULLFORCE

STOCKHOLM, Feb. 25.

THE 15 per cent growth in Svenska Handelsbanken's pre-tax earnings for 1975 is insufficient if the bank is to retain a reasonable ratio of equity to capital employed. Managing director of the bank, Jan Wallander, states his in a commentary accompanying the final report for the year.

As reported in the Financial Times on February 4 the bank showed earnings of Kr.474m. (533m.) last year and Kr.514m. (597m.) for the group as a whole, generating an increase in diluted earnings per share from Kr.4.1 to Kr.5.2.

But Mr. Wallander remarks, is strong growth in both the balance sheet and operating ratio is mostly the result of inflation. The bank proposes to use the shareholders' dividend of Kr.2 to Kr.16, making a dividend growth since 1970 of 45 per cent. There has been a 49 per cent increase in the consumer price index over the same period.

To maintain in addition the 1970 ratios the bank should have achieved an average operating profit 11 per cent higher than that actually realised during the 1971-75 period. Pre-tax earnings should have reached Kr.530m. instead of the Kr.474m. for 1975.

From the shareholders' point of view even this profit level would have been inadequate since under the banking law banks have to maintain a ratio of taxable capital to lending. If this increase in capital were to be realised from earnings, Handelsbanken's profits during the 1971-75 period should have been 18 per cent higher than the 1975 earnings should have been Kr.550m.

Mr. Wallander concludes that the bank's capital will cover one more year's growth but a rights issue will then be inevitable.

to 13.5 per cent, a level some 2 per cent above the average and triggering thereby a payment of some Kr.17m. (\$1.9m.) to the employees' fund, now the largest single shareholder.

Earnings owed much to a 39 per cent improvement in commissions emanating from the growth in foreign business and in long-term bond issues. Advances rose 16 per cent during the year to reach a total of Kr.17.6bn. (\$2bn.), including a substantial increase in credits refinanced abroad and therefore exempt from central bank restrictions. Deposits rose by 6 per cent to Kr.1.5bn. to Kr.20.7bn.

Mitsubishi Corporation said it decided to float a \$60m., 15-year convertible Eurobond at par, due March 31, 1981.

It will sign an agreement in Paris on March 9 with a syndicate of underwriters managed by Morgan Stanley International and Nikko Securities Company.

Mitsubishi said the coupon has not yet been fixed. It hopes to use the proceeds of the loan to increase the capital of Mitsubishi International Corporation in the U.S.

AE & CI margins squeezed

By Richard Rolfe

JOHANNESBURG, Feb. 25.

AE AND CI, the South African chemicals group controlled by De Beers and ICL, increased turnover substantially in its year to December 31, but like the majority of local groups, it saw profits squeezed by rising costs.

At the sales level AE and CI rushed ahead from R268m. to R384m., but pre-tax profits rose from R44.1m. to R52.8m. with margins a point lower at 15 per cent, while with a bigger tax bite, net profit was only R1m. to R6.2m. at R4.2m. However, AE and CI makes further adjustments after striking net profit which represent tax savings on investment allowances transferred to non-distributable reserve, and this figure was lower by R3.6m. at R4m. for the year just passed. On the group's estimate of its own earnings, therefore, the outcome was a R5m. rise in the attributable net profits to R29.2m. and earnings up from 28.8c to 33.5c. The dividend total is up from 17c to 18c.

The improved sales performance is ascribed to Durban, which manufactures plastic pipes, and Prolux paint, these two accounting for R24m. of the total increase. The dividend is also up from 17c to 18c.

The Board says that volume increased across the board, especially in the second half-year as consumers' stocks fell. Fertiliser results were disappointing, despite a price increase and the coal-based nitrogen complex at Middelbult had teething problems.

The financing scheme announced in August, raising R170m., has been concluded on the loan side, and the rights issue to raise R80m. out of the total will take place later this year. It will be one of the biggest equity issues in Johannesburg since the war.

AE and CI, which was taken up by the market, should be guaranteed success. At 200c the shares yield 9 per cent.

Nicholas Int. stages strong recovery

By James Forth

SYDNEY, Feb. 25.

NICHOLAS International, the Aspro pharmaceutical group, staged a strong recovery in the year to December lifting profits close to record levels again. Earnings more than doubled from \$819,000 to \$3.3m., but were slightly below the previous year's \$3.4m. The dividend is \$0.25, up from \$0.22 in 1974.

The improvement is in line with forecasts at the annual meeting in November. It was the first time since 1971 that sales have risen by more than 10 per cent to \$4.47m. to \$4.93m. The company has reason to expect the present recovery will be sustained over the short term.

The interim dividend is set at 3 cents a share. This is the same payout as in the first half last year but the final payment was dropped after profits for the full year slumped from \$4.2m. to \$3.3m.

The latest results include a first contribution from the James Chocolates Group in which a 60 per cent interest was acquired last November. Its impact to date is only small.

Standa sales

MILAN, Feb. 25.

STANDA GROUP posted consolidated group sales of L600bn. in 1975, up from L547bn. the year before. However, sales of the parent company, Italy's largest chain store, declined to L457bn. from L480bn. in 1974.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

STRAIGHTS	8 1/4	Offer	8 1/4	Offer
Aquiline 10pc 1986	103 1/2	104 1/2	103 1/2	104 1/2
Ashland 9pc 1987	94 1/2	95 1/2	94 1/2	95 1/2
Astracrown 9pc 1987	94 1/2	95 1/2	94 1/2	95 1/2
Barracuda 9pc 1989	94 1/2	95 1/2	94 1/2	95 1/2
Broken Hill 10pc 1986	104 1/2	105 1/2	104 1/2	105 1/2
Carrier 9pc 1987	93 1/2	94 1/2	93 1/2	94 1/2
Conoco 9pc 1986	94 1/2	95 1/2	94 1/2	95 1/2
Conoco 9pc 1987	94 1/2	95 1/2	94 1/2	95 1/2
Conoco 9pc 1988	94 1/2	95 1/2	94 1/2	95 1/2
Conoco 9pc 1989	94 1/2	95 1/2	94 1/2	95 1/2
Conoco 9pc 1990	94 1/2	95 1/2	94 1/2	95 1/2
Conoco 9pc 1991	94 1/2	95 1/2	94 1/2	95 1/2
Conoco 9pc 1992	94 1/2	95 1/2	94 1/2	95 1/2
Conoco 9pc 1993	94 1/2	95 1/2	94 1/2	95 1/2
Conoco 9pc 1994	94 1/2	95 1/2	94 1/2	95 1/2
Conoco 9pc 1995	94 1/2	95 1/2	94 1/2	95 1/2
Conoco 9pc 1996	94 1/2	95 1/2	94 1/2	95 1/2
Conoco 9pc 1997	94 1/2	95 1/2	94 1/2	95 1/2
Conoco 9pc 1998	94 1/2	95 1/2	94 1/2	95 1/2
Conoco 9pc 1999	94 1/2	95 1/2	94 1/2	95 1/2
Conoco 9pc 2000	94 1/2	95 1/2	94 1/2	95 1/2
Conoco 9pc 2001	94 1/2	95 1/2	94 1/2	95 1/2
Conoco 9pc 2002	94 1/2	95 1/2	94 1/2	95 1/2
Conoco 9pc 2003	94 1/2	95 1/2	94 1/2	95 1/2
Conoco 9pc 2004	94 1/2	95 1/2	94 1/2	95 1/2
Conoco 9pc 2005	94 1/2	95 1/2	94 1/2	95 1/2
Conoco 9pc 2006	94 1/2	95 1/2	94 1/2	95 1/2
Conoco 9pc 2007	94 1/2	95 1/2	94 1/2	95 1/2
Conoco 9pc 2008	94 1/2	95 1/2	94 1/2	95 1/2
Conoco 9pc 2009	94 1/2	95 1/2	94 1/2	95 1/2
Conoco 9pc 2010	94 1/2	95 1/2	94 1/2	95 1/2
Conoco 9pc 2011	94 1/2	95 1/2	94 1/2	95 1/2
Conoco 9pc 2012	94 1/2	95 1/2	94 1/2	95 1/2
Conoco 9pc 2013	94 1/2	95 1/2	94 1/2	95 1/2
Conoco 9pc 2014	94 1/2	95 1/2	94 1/2	95 1/2
Conoco 9pc 2015	94 1/2	95 1/2	94 1/2	95 1/2
Conoco 9pc 2016	94 1/2	95 1/2	94 1/2	95 1/2
Conoco 9pc 2017	94 1/2	95 1/2	94 1/2	95 1/2
Conoco 9pc 2018	94 1/2	95 1/2	94 1/2	95 1/2
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Conoco 9pc 2020	94 1/2	95 1/2	94 1/2	95 1/2
Conoco 9pc 2021	94 1/2	95 1/2	94 1/2	95 1/2
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Conoco 9pc 2097	94 1/2	95 1/2	94 1/2	95 1/2
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Conoco 9pc 2099	94 1/2	95 1/2	94 1/2	95 1/2
Conoco 9pc 2100	94 1/2	95 1/2	94 1/2	95 1/2

Land N.V.

Easier trend on early profit taking

BY OUR WALL STREET CORRESPONDENT

AN EASIER tendency prevailed on Wall Street today, following further profit taking in the developed equity markets as the Dow Jones Industrial Average approached the 1,000 level.

By 1 p.m. the Industrial average was off 3.39 to 996.16 and the NYSE All Company Index was back 30 cents to 554.32, while declines led advances by an eight-

Closing prices and market reports were not available for this edition.

to-five majority. Trading volume further expanded 7.04 million shares to 59.45m, compared with 1 p.m. yesterday.

Many investors had already planned to sell in the 995 area and that others apparently fear an "overhead" reaction as the dollar falls above 1.00—and are taking their profits now.

The Stock Market may also reflect some uncertainty following Ronald Reagan's strong second place showing in the Hampshire Republican Presidential Primary.

Chrysler, the most active stock, rose \$1 to \$17.10 to 219,100 shares— it expects to make a profit in each quarter of this year. The prediction came a day after it reported an operating profit of \$34.9m, for the fourth quarter of 1975, against a loss of \$71.7m in the year-ago period.

Johnson and Johnson fell \$2 to \$34.4— a subsidiary discontinued the U.S. production of its Ortho-Norm S oral contraceptive.

Revol lost \$1 to \$73, despite an increase in the quarterly dividend to 10 cents a share from 9 cents.

Two stocks were off \$1 at 177, although it reported slightly higher fourth quarter per share profits.

But United Technologies gained \$2 to \$33.25, predicting higher 1976 sales and earnings.

CBS advanced \$1 to \$37 and J.C. Penney were lifted \$1 to \$34.4.

Adersgraph Multigraph gave way \$1 to \$11.10 on lower six month earnings.

Celanese lost \$1 to \$33. Hewlett-Packard moved up \$1 to \$109.4— it said yesterday that 1975 results will exceed 1974's by a "significant margin."

J. Walter Thompson gained \$1 to \$11.10 after reporting sharply higher earnings.

The American Sea Market Value Index shed 0.04 to 105.07, while the trading volume decreased 1.4m, shares to 2.61m, compared with 1 p.m. yesterday.

Canada up again

The Gold Share Index was more than 10 points higher on Canadian Stock Market news this morning, when most other sectors were firmer in active trading.

Construction, Chemicals and Beverages gained ground. But the Bank Index was off more than a point.

Union Carbide Canada rose \$1.10 to \$21.10.

OTHER MARKETS

PARIS—Stocks gained widely, led by Constructions and Public Works which responded to a recent optimistic report by the National Statistics Institute.

Steels and other metals were higher, while the Paris Ceresat fell following details of its forthcoming rights issue.

Citroen shed Frs. 15 to 89 but Peugeot were lifted Frs. 3 to 332 following Bourse assessment of the company's 1975 performance.

STOCK MARKET NEW YORK

DOW JONES AVERAGES

Feb. 24 1976 996.16

Feb. 23 1976 1000.55

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- An Employer's Guide to the Employment Protection Act 1975. £2.40. M. J. Robinson. 20 pp. 1975. Available March/April.
- A Statistical Review of Middle East Markets. Compiled by Ian Macdonald. £4.95. 1975. Available March/April.
- Trade Contracts in Eastern Europe. Compiled by the London Chamber of Commerce. £4.50. 1975.
- Trade Contracts in Arab Countries. Compiled by the London Chamber of Commerce. £4.50. 1975. Available April.

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Current Accounting Law and Practice 1976

The new annual, alphabetical guide to the legal requirements and professional recommendations.

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Tolley

Two new publications for February
A Guide to the Sandilands Report on Inflation Accounting
by Christopher Morgan MA, FCA

Stamp Duties
by Sheila V. Masters LL.B., ACA, ATT
Consulting Editor: Andrew Potts BA, FCA
From leading bookshops or direct from the publishers
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BUSINESS BOOKS

Multinationals at the crossroad

U.S. Power and the Multinational Corporation, by Professor Robert Gilpin. Macmillan, £10

THE ONCE-FASHIONABLE idea that the destiny of nations would increasingly fall into the hands of American-owned multinational corporations no longer looks very plausible. New constraints, both developing and developed countries, are curbing the power of the multinationals. In the extractive industries full or partial nationalisation is changing their role from that of investors to that of contractors or consultants. Some countries, following Japan's example, are breaking up the package of technology, capital and management which the multinationals offer and leaving only the first, in the developed countries. Leading companies have caught up with the Americans; a few are beating them at their own game.

How they will adapt to these new conditions, and what policies governments (both "host" and "home") should adopt towards the multinationals, are questions to which Professor Robert Gilpin addresses himself in his new book. Gilpin shows how the U.S. like Britain in the late nineteenth century, has become dependent on the earnings from foreign investment to maintain her prosperity and to offset her relative decline in industrial technology. The effect of foreign investment, he argues, is to shift industrial power from core to periphery. Foreign investment benefits the owners of capital (rentiers and multinational corporations), but at a cost of weakening the industrial base countries in the core.

Hence, he questions the generally favourable attitude of the U.S. authorities to the expansion of the multinationals. He suggests that an imperfect capital market in the U.S., caused in part by the tax laws, has created incentives for over-investment abroad and caused neglect of investment opportunities at home. The authorities have encouraged these developments, partly because the income from overseas investment plays a crucial part in the balance of payments and partly because the multinational corporation, together with the international role of the dollar and American nuclear supremacy, served as the foundation of American global hegemony after the end of World War II.

The increased tension between host and home countries may oblige the authorities to revise their approach. Host countries are compelling the multinationals to export a higher proportion of their output, to limit the percentage of their profits that can be remitted to the home country, to import higher levels of technology and to transfer research and development effort away from the U.S. As the host countries continue to redirect the gains of foreign investment in favour of their own economies, the multinationals will be forced to sacrifice the perceived interest of their home governments; by definition, for example, they cannot improve the balance of payments position.

As Gilpin points out, there are already signs of a more critical attitude in the U.S. towards overseas investment. He believes that some of these criticisms are justified. "What the U.S. has been doing is exporting or trading away its comparative advantages (technology, technical know-how and management) in exchange for future foreign earnings. . . . It is converting itself into the type of rentier economy that Great Britain became in the latter part of the nineteenth century."

He suggests that from a national point of view a particular foreign investment is justified only if foreign earnings offset taxes are greater than the combined return (corporate profits, wages and taxes paid) from a comparable investment made in the U.S.; there are not many overseas investments which would satisfy that requirement. He therefore recommends a "national industrial strategy" which encourages the development of new technologies and industrial processes at home

rather than defensive investment abroad. It may be that normal economic forces will bring about the changes which Gilpin wants. He himself notes the argument that the deterioration in the U.S. trade position and the increase in overseas investment were temporary phenomena largely due to an over-valued dollar. There is some evidence that the situation is now correcting itself, with many U.S. multinationals re-discovering the virtues of investment in the U.S. While Gilpin may exaggerate the extent to which overseas investment is substitutional for investment at home, his analysis of the motivation, behaviour and economic consequences of multinationals contains useful insights which are relevant to the U.K. as well as the U.S. That multinationals will continue to be important elements in the world economy there is no doubt, but the pressures on them are likely to grow and they will have to be quick on their feet if they are not to suffer the fate of the British East India Company.

Geoffrey Owen

State regulation

The Citizen and the State, Essays on Regulation, University of Chicago Press, \$10.95.

AN ATTRACTIVE cry for many years has been the "need for more regulation". It has been most vociferous in the case of monopolistic pricing policies, U.S. occasional proclamations from the other side that "regulation does more harm than good—we should all be better off if the whole party of state regulations and interference was swept away."

Almost buried, as we are, in an avalanche of fears that state regulation has already taken us half way to serfdom by way of Big Brother, we must therefore welcome any important work which attempts to do what is so easily ignored in all the confusion—namely, examine the evidence.

Professor Stigler's essays on state regulation could hardly be more timely, even though the book consists—as so often—of a collection of pieces drawn together (one is tempted to say "regulation" into a single book. In this case, however, the essays are very much to the point, they rarely depart from the stated theme, and their very age has made them highly topical. Stigler is an economic conservative, but his approach is scrupulously fair—give or take the occasional sideswipe at, for example, Professor Galbraith, the leading spokesman of the underprivileged public sector.

Both his theory and his examination of the evidence lead Stigler to the conclusion that it is the "regulated interest" rather than the consumer, which benefits

from the interference designed to control him. In this, the author is highly convincing—as far as he goes.

Stigler finds that, by preventing new entrants to an industry and by achieving comfortably monopolistic pricing policies, U.S. companies in certain "regulated" industries can do very nicely without any incentive to improve their products or to reduce their costs. Stigler's own research findings on the effects of regulation on the securities market and electricity pricing are convincingly adduced as evidence of what little benefit the consumer has achieved from intervention which is only nominally in his favour.

Stigler is talking of U.S. experience and he himself is conscious of the sheer size of the economic establishment here. The arguments he does not cover, U.K. experience is not necessarily analogous, but the presumption in favour of regulation is strongly embedded in the economic establishment here. The case for more regulation would do well to cast their regulatory eyes over these essays—if their daily intervention activities afford them the time.

William Keegan

Analysing IBM

"And To-morrow the World? Inside IBM," by Rex Malik, Millington, 55

FEW MAJOR industries are as influenced by one company as is computing by IBM. And few industries will have as great an impact on business and society in the next 20 years as computing. So any study of IBM deserves the widest readership.

Mr. Malik has done us a great service by producing the first detailed analysis of the wealth of IBM policy papers which became public during the Telex company's anti-trust case against IBM. Combined with his long and wide experience of the computer business as a British freelance journalist, he had the opportunity to produce a masterly analysis of the industry, and IBM's definitive role within it.

In the event, he has spoiled his (excellent) cause by using far too much undigested detail for the average reader—even one who has some notion about computing—by over-personalisation, and by his vitriolic tone. Seldom have I found a book on business so difficult to follow; this may be inevitable, to some extent, with a subject as beset with abbreviations, acronyms and numbers as computing. But the author exaggerates the problem by mixing lists and tables upon detailed memoranda.

In spite of all this, anyone interested in the workings of one of the world's largest, most influential and profitable companies should take the trouble to wade through the book's 490 pages. IBM cautiously comments that it is "based mainly on court

records of cases which IBM has either settled or won. . . . Again, it considers that "the inaccuracies, innuendoes and erroneous conclusions" do not warrant comment. But the fact remains that many of the same or similar allegations as Mr. Malik makes are coming up in the U.S. Justice Department's current anti-trust suit against the Corporation, and are likely to surface later this year when a new bout of private suits by competitors come to court in the U.S. Nor has IBM claimed that the book is entirely inaccurate.

Much of the book goes into detail about the familiar allegations—correct or otherwise, depending whether you believe in IBM or Mr. Malik—about market dominance, inferior technology, "two short periods excepted," IBM's generally been technologically backward," and about "phantom computers" (that is, announcements of new products which are not really new, but which may deter customers from buying a competitor's machine).

Where a writer of Anthony Sampson's fluency is most needed is in Chapter 15, "The IBM system in your future," which gives some idea of the direction in which computing is going: distributed communications networks, some of them satellite-borne, delving deep into the offices and workplaces of millions of people. Mr. Malik's useful book still leaves room for a lucid, balanced work on IBM's success in the market and impact on society. A mammoth task, since so many people are deterred by the very mention of the word "computers."

Christopher Lorenz

Work and finance

Work Measurement, by Dennis A. Whitmore. Heinemann, £9.80 (hard), £5.50 (soft)

Management of Company Finance, Second Edition, by J. M. Samuels and F. M. Wilkes. Thomas Nelson and Sons, £4.95

THESE ARE BOTH essentially books for the specialist, although of different depth. Work Measurement deals in detail with the

technical aspects of the subject and is clearly most suitable for the practising professional (although the analyses of the effects on people of work study are of more general interest), while Company Finance largely achieves its objective of avoiding becoming too technical in order to cater for both professional and student readers. Both are extremely detailed and are obviously destined for a place on the reference book shelves.

Business Planning and Forecasting Techniques
DENNIS COOPER-JONES
Managerial Techniques: Standard Techniques and Cash Flow
The objective of this book is to provide managers of some of the basic principles of operating a business; to establish a framework for the detailed review of day-to-day operations; to establish guidelines and methods of long term planning for growth and profitability and to outline the present stage of 282 pages 0 221 66239 8 £8.00

BARRIE & JENKINS

The U.S. steel giant

The Steel Titan: The Life of Charles M. Schwab, by Robert Hensen. Oxford University Press, £8.25.

WHO WAS Charles M. Schwab, besides being obviously an American? If you know, then this, the first full biography of the steel magnate, will be a welcome and enlightening. If you don't, then here is a good opportunity of finding out about one of America's most formidable turn-of-the-century industrial giants—the protégé of the great Andrew Carnegie, the architect and first president of the U.S. Steel Company conglomerate and the creator of the modern Bethlehem Steel Corporation.

Charles Schwab's life was in many ways the classic American "rags-to-riches" story. The son of a weaver, who started his career as a sales clerk in a grocery emporium, he was taken on by Carnegie's steel works in Braddock, Pennsylvania, at the age of 17 in 1879 and from there on moved upwards by sheer determination, an unusual ability to absorb information and learn, and the fortunate patronage of Andrew Carnegie himself and his partner Henry Clay Frick.

Like Carnegie, his success was partly based on a ruthless determination to cut costs in a competitive situation, coupled with an equally strong determination to invest during the downside of the business cycle. (Mr. Hensen would have loved him for that) and partly on a quite uncanny ability to pick on the production technology of the future. Then as now, the steel industry was a peculiarly vulnerable to the business cycle and particularly open to technical initiative, and Schwab was master of both.

But in other ways he was more of a bridge between the early

entrepreneurs like Carnegie, with their moral fervour and broad imagination, and the business chiefs of later in the century, with their less autocratic control and more conventional vision. His period, presaging the future, was surrounded constantly by political scandal and Congressional investigation into labour disputes, into alleged fraud in Government contracts, and into his role during the First World War.

It is this that makes Charles Schwab so interesting a figure in U.S. industrial history and this biography of him a little disappointing in the end. It contains a great deal of research, clearly written and without the encumbrance of endless references to sources and own research trivia that mars so many American books, and a great deal of new. But it tells of his life rather than his times, and in missing some of the perspective of the labour, political and market pressures of the times, leaves out much that is important.

Charles Schwab was no great philosopher, nor did he say much of himself that was of interest—what inevitably makes him a less than ideal subject for a biography. But he was a creative industrialist of considerable achievement. And he was no hypocrite. If for nothing else, he deserves to be remembered for the comment: "I disagreed with Carnegie's ideas on how best to distribute his wealth. I spent mine! Spending creates more wealth for everybody. I say that with due regard to Carnegie's theories and the unquestioned hope in his mind that he was being a benefactor of mankind. But I believe that, let alone, wealth will distribute itself."

Adrian Hamilton

Inside labour law

An Employers' Guide to the Employment Protection Act 1975, by E. J. and M. T. Robertson. Kogan Page, £5.00

DURING THE past 12 years companies have had to grapple with an increasing amount of labour law which has circumscribed their operations as employers. Apart from the brief period of the Industrial Relations Act, the new laws have mainly aimed at a gradual extension of individual workers' rights, and even the ER Act itself continued this trend when it added unfair dismissal legislation to earlier redundancy and other measures.

Now there is a fresh surge of laws covering general employment rights, advances for trade unions, and sex discrimination and equal pay provisions. New race relations laws are also before Parliament, and the most complex and wide-ranging of these measures is the Employment Protection Act 1975 which considerably extends the rights and powers of both individual workers and of trade unions. It is now being gradually introduced and there is a

great need for it to be explained to employers as well as to unions and individual workers. Various booklets have been issued to do this but what is probably the first full-length book has been written by a husband and wife team.

They are Morag Robertson, who is P & O's employee relations officer, and Eddie Robertson who is the CBI's director of industrial relations. Between them they have produced a valuable guide to the Act. Their book is somewhat abbreviated on potential stormy issues such as union recognition and the linked issues of the independence of trade union and staff associations. But the day-to-day problems to be faced by the employer reader to which the book has been directed will probably be the less dramatic but crucial issues such as redundancy and maternity rights and other provisions affecting individual workers. The book deals with these matters extensively. The authors and their publishers deserve praise for having produced a publication within a few months of the first parts of the Act being introduced in January.

John Elliott

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A. L. Chapman LL.B. (London) FTII
Every aspect of Capital Transfer Tax is covered in this detailed, explanatory book. For the professional accountant, this is considered to be the best book of the six books under review. The Accountant, November 6, 1975.
Tolley £4.25

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STOCK EXCHANGE REPORT

Equities rally modestly after an uncertain opening
Share index up 2 points at 409.2—BOC please

Account Dealing Dates
Option
First Declared Last Account
Dealing Date
Feb. 9 Feb. 19 Feb. 20 Mar. 2
Feb. 23 Mar. 4 Mar. 5 Mar. 16
Feb. 23 Mar. 18 Mar. 19 Mar. 30
New time "dealings may take place from 9.30 a.m. to 2.30 p.m. on the day of the deal."

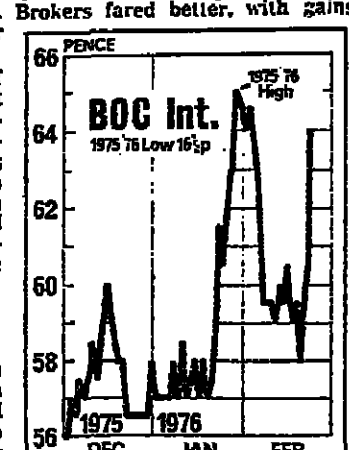
Equity markets and British funds appeared to run out of steam yesterday. Nonetheless, leading industrial shares finished a shade firmer on balance, after a fluctuating, narrowly, initially, news of a 231m. "rights" issue from Standard Chartered imparted an easier tendency, but little selling was seen. Thereafter, a gradual improvement ensued aided by good first-quarter results from BOC. The FT 30-share index, which touched its lowest of the day at 402.2, making a rise of 17.3 over the last three trading days. There was again a marked reflection in official markings of only 6.767, compared with 7.511 on Tuesday.

In contrast, gilt-edged ended with fractional losses. Extremely tight conditions in money markets left short-dated stocks 1/2 lower, after a rather quiet session. However, the later maturities attracted a fair amount of interest. Stock came on offer in the earlier dealings, but falls ranging to 1/2 were eventually pared to only 1/4 by the close. The Government Securities Index ended 0.05 to 83.31. The "after-hours" announcement of a cut to 9 per cent. by its U.K. base rate had little immediate impact.

Second-line equities took on a mixed appearance, and rises led by 13-8 (7-2 on Tuesday) in FT-quoted industrials, while the FT 100-share index ended 0.3 per cent. more to 183.83.

Further selling released by arbitrage operations put fresh pressure on the investment currency premium, which fell to 97 1/2 per cent. before steadying on revived institutional demand and subsequently settling at 98 per cent. down 1 1/2 on the day. Yesterday's SE conversion factor was 0.6467 (0.6450).

There was not a great deal of business in Electra Investment Trust in first-time dealings yesterday: compared with the offer-for-sale price of 37p, the 25p shares opened at 35p and softened to 34p at 3.30p. Elsewhere, in Recent Equities, Hughes Tool weakened 2 1/2 to 230 1/2 in consideration of a lower earnings estimate for 1976.



Standard react
A dull market of late on concern about its substantial African interests, Standard Chartered cheapened 10 further to 423p yesterday following the shock the bank are to raise £31m. by way of a "rights" issue. Hongkong and Shanghai rose 10 to 353p on the Hong Kong budget proposals. Press comment on the satisfactory results helped National Westminster to 274p initially, before easing back to close unaltered on the day at 270p. Of the other big four banks, Barclays gave up 2 to 313p and Lloyds and Midland (results due to-morrow) were both 2 easier at 260p and 305p respectively. Bank of Scotland did well at 310p, up 8. Gillet Bros., 228p, held on to an earlier 8 gain which followed the results. Allen Harvey and Ross rose 10 to 490p in a thin market. Edward Bates came on offer in Merchant Banks at 35p, down 4, but Anglo-Continental hardened 2 to 35p and Amstar Fire Purchases, 19p, only 2 easier on balance at 35p. Elsewhere in Chemicals, Enalton

Plastics were raised 3 to 63p and British Trac Products 4 to 404p. Rediffusion Preference improved 4 1/2 in Television issues, where modest rises were scored by Gramplan 'A', 23p, and RTV, 58p.

F. W. Woolworth dull
F. W. Woolworth featured Stores, reacting 5 to 75p on profit-taking after the recent advance ahead of to-morrow's preliminary figures. Elsewhere, Burton Group attracted a fair amount of interest, the "A" closing penny better at 61p and the Ordinary finishing 3 to the good at 73p. Spirilla, still on the results, improved 7 to 97p for a two-day rise of 12. Gains of 6 were scored by Mothercare, 184p, and Martin the Newsagent, 130p. Wades 12 1/2 were noteworthy for a rise of 3 to 42p. Roskill, however, lost 2 more at 14p on the disappointing interim statement. John Michael (Savile Row) closed a fraction easier at 9p following the chairman's statement at the annual meeting.

Still stimulated by recent favourable Press comment, Thorn Electrical advanced afresh to close 10 higher at a 1975-76 peak of 286p. Other leading Electricals to 70p on the double interest and finished modestly harder. EMI, with half-time results due next Thursday, was 2 firmer at 253p. Secondary issues stayed in firm vein with Royal Electric moving ahead 8 to 248p in a thin market. Lec Refrigeration, 94p, and Henry Wigfall, 200p, rose 4 1/2 and 2 1/2 respectively. Scientific put 2 1/2 to 97p, but Ultra Electronic relinquished 2 at 63p.

Buyers' attention in Engineering again focused on BKN, up 6 further to 320p. Hawley, 4 1/2, was 2 firmer at 183p, better at 424p, both being fresh

peaks for 1975-76. Other leaders were only fractionally harder, but a handful of secondary issues saw lively prominence. Among these, TCC jumped 15 to 136p and Fluidra rose 3 to 13p, both in thin markets, while Birmid Quast were raised 5 to 65p. Gains of around 4 were common to Davy International, 130p, Baker Perkins, 62p, Lake and Elliot, 32p, and Herbert Norris, 58p. WGI remained at 75p; the price published in recent issues was incorrect. Smaller-priced stocks to the fore included Penard, 3 dearer at 264p, and Whitehouse, which recovered 2 1/2 to 27p following news that the company is planning to close five of its Birmingham factories under a worker-participation scheme.

FINANCIAL TIMES STOCK INDICES

	Feb. 24	Feb. 23	Feb. 22	Feb. 21	Feb. 20	Feb. 19	Jan. 19	Jan. 18	Jan. 17
Government Sec.	83.31	83.30	83.17	83.01	82.81	82.61	82.44	82.24	82.04
Prime Interest	82.80	82.75	82.65	82.55	82.45	82.35	82.25	82.15	82.05
Industrial Ordinary	409.2	407.2	400.2	391.9	386.7	387.4	387.1	387.1	387.1
Gold Mines	198.9	199.9	199.5	198.5	198.9	198.9	198.9	198.9	198.9
Oil, Dr. Prod.	5.18	5.18	5.22	5.18	5.18	5.18	5.18	5.18	5.18
Damage to Property	14.68	14.74	14.11	14.40	14.58	14.58	14.58	14.58	14.58
2 1/2% Govt. (10/11)	10.01	9.97	9.97	9.97	9.97	9.97	9.97	9.97	9.97
Unemployment	6.767	7.571	6.900	6.510	6.737	6.760	6.760	6.760	6.760
Equity turnover (m)	15,910	18,018	16,025	15,488	14,561	14,774	14,774	14,774	14,774
Share turnover (m)	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4
2 1/2% Govt. (10/11)	10.01	9.97	9.97	9.97	9.97	9.97	9.97	9.97	9.97
Unemployment	6.767	7.571	6.900	6.510	6.737	6.760	6.760	6.760	6.760
Equity turnover (m)	15,910	18,018	16,025	15,488	14,561	14,774	14,774	14,774	14,774
Share turnover (m)	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4

HIGHS AND LOWS

	High	Low	High	Low	High	Low	High	Low	High	Low
Govt. Sec.	83.31	83.01	83.17	82.81	82.81	82.61	82.44	82.24	82.04	81.84
Prime Interest	82.80	82.55	82.65	82.45	82.45	82.25	82.05	81.85	81.65	81.45
Industrial Ordinary	409.2	386.7	400.2	391.9	386.7	387.4	387.1	387.1	387.1	387.1
Gold Mines	198.9	198.5	199.9	198.5	198.9	198.9	198.9	198.9	198.9	198.9
Oil, Dr. Prod.	5.18	5.18	5.22	5.18	5.18	5.18	5.18	5.18	5.18	5.18
Damage to Property	14.68	14.11	14.74	14.40	14.58	14.58	14.58	14.58	14.58	14.58
2 1/2% Govt. (10/11)	10.01	9.97	9.97	9.97	9.97	9.97	9.97	9.97	9.97	9.97
Unemployment	6.767	6.510	7.571	6.737	6.900	6.760	6.760	6.760	6.760	6.760
Equity turnover (m)	15,910	14,561	18,018	15,488	16,025	14,774	14,774	14,774	14,774	14,774
Share turnover (m)	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4

Spasmodic interest was shown in News International, up 3 at 189p, but other Newspapers edged up a shade. The overall trend was slightly mixed, while Lowe and Brydone gained 3 to 45p.

Ultramar rally again
Oils were none too inspiring, apart from Ultramar which, on reassuring Press comment about current trading, rallied 6 more to 199p. Shell drifted lower to close 4 easier at 386p and Esso, 386p, Petroleum cheapened 3 to 360p. Despite a lower investment dollar rate, Royal Dutch steadied at 521p, while Sunningdale actually regained 25 to 610p. In the Australian sector, Weeks Natural Resources fell 5 to 65p following domestic market advice.

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS GROUPS & SUB-SECTIONS		Wednesday, Feb. 25, 1976										Highs and Lows Index				
		Index No.	Day's Change %	Est. P/E Ratio	Gross Div. Yield %	Est. P/E Ratio	Gross Div. Yield %	Index No.	Index No.	Index No.	Index No.			1975/76		Since Completion
												High	Low	High	Low	
1	CAPITAL GOODS (178)	183.31	+0.8	15.08	5.97	10.07	10.07	182.02	149.89	146.28	149.42	96.10	155.05	51.78	905.37	50.71
2	Building Materials (29)	145.42	+0.6	11.55	6.01	13.40	13.40	144.60	141.69	138.49	142.51	96.79	150.15	48.11	233.84	44.27
3	Contracting, Construction (23)	236.38	+0.2	14.88	4.14	10.54	10.54	236.99	232.37	228.17	232.58	109.43	255.24	74.74	399.33	74.27
4	Electricals (16)	170.49	+1.5	16.13	4.41	9.08	9.08	167.12	165.84	163.53	166.78	179.51	181.42	61.76	159.92	121.87
5	Engineering (Heavy) (13)	173.11	+0.3	18.89	6.82	8.81	8.81	171.78	170.46	165.39	169.33	115.01	181.88	64.29	302.57	64.29
6	Engineering (General) (63)	139.21	+1.1	15.93	6.10	9.41	9.41	137.66	136.03	133.63	135.82	82.09	152.21	45.43	165.59	45.43
7	Machine and Other Tools (9)	95.59	+0.3	14.92	6.51	12.08	12.08	96.68	95.80	95.56	96.19	33.17	102.97	61.76	146.72	61.76
8	Miscellaneous (25)	133.25	+0.6	15.53	6.30	9.78	9.78	132.45	131.18	128.50	129.84	86.39	135.69	49.85	177.41	49.85
9	CONSUMER GOODS (DURABLE) (56)	137.37	+1.3	14.08	4.56	10.73	10.73	135.63	134.25	130.40	132.46	67.63	157.37	38.39	287.76	38.39
10	Electronics, Radio TV etc. (15)	155.14	+1.3	13.30	3.44	12.16	12.16	152.25	151.33	146.33	149.77	81.15	155.14	44.26	267.41	44.26
11	Household Goods (15)	184.94	+0.5	17.51	6.09	8.52	8.52	183.97	183.40	179.08	179.42	107.08	184.94	61.76	193.78	61.76
12	Motors and Distributors (26)	81.50	+0.7	15.55	6.75	9.89	9.89	80.93	79.57	77.50	78.23	35.58	81.50	13.91	170.56	13.91
13	CONSUMER GOODS (NON-DURABLE) (188)	188.84	+0.4	13.16	5.54	11.24	11.15	188.26	186.57	183.40	185.67	110.14	188.84	51.95	326.05	51.95
14	Breweries (15)	171.78	+0.4	13.14	6.28	11.42	11.42	171.00	168.08	164.39	167.54	126.64	178.43	75.58	321.27	61.61
15	Wines and Spirits (7)	180.65	+0.4	10.25	5.58	14.81	14.81	180.00	178.11	175.84	178.41	127.64	180.65	61.76	193.78	61.76
16	Entertainment, Catering (18)	206.87	+1.3	10.76	5.89	14.97	14.97	203.96	201.55	195.78	199.39	108.59	206.87	61.76	211.78	61.76
17	Food Manufacturing (22)	167.61	+0.4	12.72	6.83	11.07	10.99	166.97	166.07	162.69	165.33	113.63	174.03	62.03	311.65	59.78
18	Food Retailing (16)	144.86	+0.4	11.17	4.78	12.99	12.99	144.35	141.65	138.94	139.47	107.37	144.86	61.76	151.78	61.76
19	Newspapers, Publishing (15)	133.37	+0.1	18.31	5.51	12.19	12.19	133.13	130.85	127.78	128.44	109.87	133.37	61.76	146.72	61.76
20	Packaging and Paper (13)	111.19	+0.4	16.61	6.87	7.59	7.59	110.76	109.99	108.10	108.13	78.86	111.19	43.46	135.69	43.46
21	Stores (33)	154.87	+0.1	11.12	5.02	13.82	13.80	154.98	153.62	150.24	152.54	98.61	154.87	61.76	164.72	61.76
22	Textiles (22)	180.05	+0.6	13.22	6.00	9.74	9.74	178.92	177.54	174.07	174.47	101.99	180.05	61.76	193.78	61.76
23	Tobacco (3)	283.13	+0.4	19.54	6.35	7.80	7.80	282.25	281.70	278.81	281.21	166.37	283.13	109.95	339.16	64.34
24	Toys and Games (6)	66.96	+0.4	20.36	5.93	6.84	6.84	67.25	66.05	64.54	64.80	36.84	66.96	61.76	77.41	61.76
25	OTHER GROUPS (94)	119.01	—	11.94	4.37	11.57	11.55	119.01	117.45	115.51	116.38	129.16	119.01	75.14	219.92	71.80
26	Chemicals (24)	219.01	—	11.94	4.37	11.57	11.55	219.01	217.45	215.51	216.38	129.16	219.01	75.14	219.92	71.80
27	Office Equipment (10)	92.56	+2.4	14.41	5.65	10.51	10.51	90.16	88.06	86.60	87.56	91.13	104.78	45.26	200.72	45.26
28	Shipping (12)	390.92	+0.5	18.48	6.23	6.92	6.85	387.77	383.88	380.74	383.59	308.31	390.92	61.76	411.78	61.76
29	Miscellaneous (48)	170.47	+0.5	15.83	6.00	10.66	10.66	169.75	167.09	164.12	165.56	116.56	172.73	60.39	258.93	60.39
30	INDUSTRIAL GROUP (496)	162.04	+0.5	13.55	5.39	10.77	10.77	161.16	159.51	156.01	158.49	106.12	164.05	59.19	280.17	59.01
31	OILS (4)	356.85	+0.8	14.94	4.78	7.48	6.59	359.41	356.77	352.13	352.99	212.16	357.17	105.23	431.66	87.23
32	500 SHARE INDEX	176.76	+0.4	15.84	5.30	10.12	9.85	176.14	174.31	170.77	173.16	118.08	178.83	63.49	227.95	55.49
33	FINANCIAL GROUP (100)	145.96	+0.4	4.86	—	—	—	145.41	142.85	139.99	141.96	104.36	153.46	55.50	361.41	55.58
34	Banks (6)	178.52	+0.4	15.57	4.55	9.88	9.88	179.24	174.72	170.54	170.99	112.20	182.16	62.56	288.38	62.44
35	Discount Houses (10)	180.87	+0.1	—	—	—	—	180.50	179.79	180.50	181.97	140.51	186.52	61.76	193.78	61.76
36	Hire Purchase (5)	129.66	+3.3	—	—	—	—	125.62	123.88	121.47	123.51	101.78	131.78	61.76	146.72	61.76
37	Insurance (Life) (9)	182.12	+0.5	—	—	—	—	182.60	184.76	182.42	184.90	100.78	189.46	44.28	194.48	44.28
38	Insurance (Composite) (7)	112.45	+1.0	—	—	—	—	111.34	109.83	106.61	108.82	73.56	123.90	44.47	155.78	43.96
39	Insurance (Brokers) (9)	228.78	+0.2	8.91	4.06	16.94	16.94	224.28	221.86	220.04	221.05	149.20	230.65	61.76	246.72	61.76
40	Merchant Banks (17)	90.48	+0.3	—	—	—	—	90.80	89.87	88.54	90.11	78.78	94.97	51.21	276.57	51.21
41	Property (32)	186.78	+0.1	8.50	2.60	7.18	69.95	186.95	182.38	176.31	181.52	175.41	191.28	61.76	211.78	61.76
42	Miscellaneous (5)	99.51	+0.1	14.35	6.07	10.92	10.92	99.58	98.58	98.16	98.46	59.91	101.28	61.76	111.78	61.76
43	Investment Trusts (50)	171.40	+0.2	3.04	4.21	54.08	54.00	171.04	169.49	168.64	170.67	130.41	184.55	73.43	345.79	71.63
44	ALL-SHARE INDEX (650)	168.85	+0.3	—	—	—	—	168.24	166.81	162.97	165.32	112.94	172.64	62.16	328.18	61.92
45	COMMODITY GROUPS (Not included in 500 or All-Share indices)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
46	Rubbers (9)	137.58	+1.0	14.01	7.34	10.96	10.93	136.13	134.03	132.40	134.87	98.12	138.43	38.16	355.37	94.69
47	Teas (9)	133.30	+0.1	34.75	8.40	4.30	4.13	133.40	134.85	134.50	135.98	84.69	136.51	74.76	185.91	90.78
48	Coppers (3)	230.15	+1.1	49.94	7.47	2.33	2.33	227.84	240.69	242.11	227.87	464.11	247.74	380.15	507.78	59.05
49	Mining Finance (11)	98.36	+1.3	12.02	5.11	9.40	9.40	96.66	100.61	99.98	100.55	114.12	101.28	61.76	111.78	61.76
50	Tins (3)	97.39	+0.1	12.84	9.27	11.11	10.45	97.49	95.29	92.87	93.06	87.04	114.49	61.76	125.48	61.76
51	Overseas Traders (13)	235.81	+0.1	14.53	4.38	9.11	9.10	235.61	234.81	231.27	232.36	144.18	252.23	97.57	353.23	97.57
52	FIXED INTEREST	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1	Consols 2 1/2% yield	—	—	13.69	13.69	13.77	13.86	13.56	13.56	13.56	13.56	13.58	14.80	—	—	—
2	20-yr. Govt. Stocks (6)	—	—	50.89	112.81	81.01	80.88	80.48	*10.8	51.47	51.49	51.31	48.13	53.45	38.27	115.43
3	20-yr. Red. Deb. & Loans (15)	—	—	50.83	116.60	60.66	60.58	50.75	*50.80	50.83	50.83	50.87	45.09	51.46	37.01	113.43
4	Investment Trust Prefrs. (15)	—	—	80.13	15.80	49.80	49.80	80.80	51.23	51.23	50.85	49.81	42.91	51.23	35.36	114.41
5	Coml. and Indl. Prefrs. (20)	—	—	68.94	13.95	66.47	66.40	68.81	69.22	69.10	69.07	69.06	61.00	71.47	47.57	114.95
6	Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value	Section or Group
7	Overseas Traders	3/12/70	128.00	Miscellaneous Financial	3/12/70	128.00	Overseas Traders	3/12/70	128.00	Overseas Traders	3/12/70	128.00	Overseas Traders	3/12/70	128.00	Overseas Traders
8	Engineering (Heavy)	3/12/70	133.84	Food Manufacturers	2/12/70	114.13	Engineering (Heavy)	3/12/70	133.84	Food Manufacturers	2/12/70	114.13	Engineering (Heavy)	3/12/70	133.84	Food Manufacturers
9	Engineering (General)	3/12/70	149.15	Retailing	2/12/70	94.47	Engineering (General)	3/12/70	149.15	Retailing	2/12/70	94.47	Engineering (General)	3/12/70	149.15	Retailing
10	Wines and Spirits	3/12/70	142.74	Insurance Brokers	2/12/70	108.89	Wines and Spirits	3/12/70	142.74	Insurance Brokers	2/12/70	108.89	Wines and Spirits	3/12/70	142.74	Insurance Brokers
11	Toys and Games	3/12/70	142.74	Miscellaneous Financial	2/12/70	108.89	Toys and Games	3/12/70	142.74	Miscellaneous Financial	2/12/70	108.89	Toys and Games	3/12/70	142.74	Miscellaneous Financial
12	Industrial Group	3/12/70	128.28	All Other	2/12/70	108.89	Industrial Group	3/12/70	128.28	All Other	2/12/70	108.89	Industrial Group	3/12/70	128.28	All Other
13	Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value	Section or Group
14	Overseas Traders	3/12/70	128.00	Miscellaneous Financial	3/12/70	128.00	Overseas Traders	3/12/70	128.00	Miscellaneous Financial	3/12/70	128.00	Overseas Traders	3/12/70	128.00	Miscellaneous Financial
15	Engineering (Heavy)	3/12/70	133.84	Food Manufacturers	2/12/70	114.13	Engineering (Heavy)	3/12/70	133.84	Food Manufacturers	2/12/70	114.13	Engineering (Heavy)	3/12/70	133.84	Food Manufacturers
16	Engineering (General)	3/12/70	149.15	Retailing	2/12/70	94.47	Engineering (General)	3/12/70	149.15	Retailing	2/12/70	94.47	Engineering (General)	3/12/70	149.15	Retailing
17	Wines and Spirits	3/12/70	142.74	Insurance Brokers	2/12/70	108.89	Wines and Spirits	3/12/70	142.74	Insurance Brokers	2/12/70	108.89	Wines and Spirits	3/12/70	142.74	Insurance Brokers
18	Toys and Games	3/12/70	142.74	Miscellaneous Financial	2/12/70	108.89	Toys and Games	3/12/70	142.74	Miscellaneous Financial	2/12/70	108.89	Toys and Games	3/12/70	142.74	Miscellaneous Financial
19	Industrial Group	3/12/70	128.28	All Other	2/12/70	108.89	Industrial Group	3/12/70	128.28	All Other	2/12/70	108.89	Industrial Group	3/12/70	128.28	All Other
20	Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value	Section or Group	Base								

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Ancho-Amn 5c	\$24	-	Q290c	1.0	6.7
Dancho-Pk 1R	80	-	Q44Sc	1.0	3.1
De Beers Df 5c	10	-	Q52Sc	0.2	0.6
De Beers Df 1R	E712	-	Q52Sc	0.2	0.6
Lydaburn 12P	7	-	Q27Sc	1.5	2.1
Pst. Plat. 5c	126	-	Q52Sc	1.0	2.2
Union Pst. 5c	69	-	Q52Sc	1.0	2.9
Wadswal 5c	7	-	Q52Sc	1.0	2.2

CENTRAL AFRICAN

Carnation 5c	110	-	Q34c	2.0	17.1
Crane-Rd 5S	110	-	Q295c	1.3	5.3
De Beers Df 12P	30	-	Q52Sc	0.2	0.4
Rhin. Comp. 1K	15	-	Q52Sc	0.8	5.6
Rhin. Comp. K4	160	-	Q210R	4.7	5.7
Rhin. Comp. K5	125	-	Q295c	4.7	5.7
Du. Prt. 5G	65	-	Q52Sc	18.0	11.2
Wamitke Col. Fl. 1	4	-	Q6Sc	1.3	10.0
Zanz. Cpt. 350D-2A	33	-1	Q130	3.2	5.8

AUSTRALIAN

RUBBERS AND SISALS										112	42
										32	22
1921	0.75	9	5.6		1928	Low					
1922	0.75	9	5.6		High	Low					
1923	1.5	11	8.2	19.1			Stock				
1924	1.5	11	8.2	19.1							
1925	1.5	11	8.2	19.1							
1926	1.5	11	8.2	19.1							
1927	1.5	11	8.2	19.1							
1928	1.5	11	8.2	19.1							
1929	1.5	11	8.2	19.1							
1930	1.5	11	8.2	19.1							
1931	1.5	11	8.2	19.1							
1932	1.5	11	8.2	19.1							
1933	1.5	11	8.2	19.1							
1934	1.5	11	8.2	19.1							
1935	1.5	11	8.2	19.1							
1936	1.5	11	8.2	19.1							
1937	1.5	11	8.2	19.1							
1938	1.5	11	8.2	19.1							
1939	1.5	11	8.2	19.1							
1940	1.5	11	8.2	19.1							
1941	1.5	11	8.2	19.1							
1942	1.5	11	8.2	19.1							
1943	1.5	11	8.2	19.1							
1944	1.5	11	8.2	19.1							
1945	1.5	11	8.2	19.1							
1946	1.5	11	8.2	19.1							
1947	1.5	11	8.2	19.1							
1948	1.5	11	8.2	19.1							
1949	1.5	11	8.2	19.1							
1950	1.5	11	8.2	19.1							
1951	1.5	11	8.2	19.1							
1952	1.5	11	8.2	19.1							
1953	1.5	11	8.2	19.1							
1954	1.5	11	8.2	19.1							
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1957	1.5	11	8.2	19.1							
1958	1.5	11	8.2	19.1							
1959	1.5	11	8.2	19.1							
1960	1.5	11	8.2	19.1							
1961	1.5	11	8.2	19.1							
1962	1.5	11	8.2	19.1							
1963	1.5	11	8.2	19.1							
1964	1.5	11	8.2	19.1							
1965	1.5	11	8.2	19.1							

TEAS									
India and Bangladesh									
1921	0.75	9	5.6		1928	Low			
1922	0.75	9	5.6		High	Low			
1923	1.5	11	8.2	19.1			Stock		
1924	1.5	11	8.2	19.1					
1925	1.5	11	8.2	19.1					
1926	1.5	11	8.2	19.1					
1927	1.5	11	8.2	19.1					
1928	1.5	11	8.2	19.1					
1929	1.5	11	8.2	19.1					
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1940	1.5	11	8.2	19.1					
1941	1.5	11	8.2	19.1					
1942	1.5	11	8.2	19.1					
1943	1.5	11	8.2	19.1					
1944	1.5	11	8.2	19.1					
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1954	1.5	11	8.2	19.1					
1955	1.5	11	8.2	19.1					
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1957	1.5	11	8.2	19.1					
1958	1.5	11	8.2	19.1					
1959	1.5	11	8.2	19.1					
1960	1.5	11	8.2	19.1					
1961	1.5	11	8.2	19.1					
1962	1.5	11	8.2	19.1					
1963	1.5	11	8.2	19.1					
1964	1.5	11	8.2	19.1					
1965	1.5	11	8.2	19.1					

Algebra 2e	20				
A.M. and S. 50e	49	+3	Q7c	+	2.7
Rogersville 50e	116		Q10c	+	5.0
SH 50e	170	-5			
N. Kelly 3	25	-2	1.18	0.2	3.1
Hampton Areas 5p	40				
East Ex. 20e	40				
McIntosh 50e	36				
N.M. Hedges 50e	215	-3	\$0.01c	1.18	2.6
St. Louis 25e	215	-3	\$0.01c	2.4	+
W. 50e	292				
North & Hall 30e	150	-1	Q9c	1.4	3.4
North Hall 30e	7	+2	168c	0.9	6.5
North Hall 30e	7	+2	168c	0.9	6.5
Pacific Corp. 25e	16				
Powers 175e	513	+2			
Pratt 175e	513	+2			
Proctor 25e	490	-10	Q15c	+	1.7
Proctor 25e	120	-5			
Truman 100e	12				
Westcott 30e	38				
W. Hitting 50e	48		\$0.8c	0.8	4.0
White Creek 22e	48	-4			

[illegible]

Algeria	1989	5.62	1.6	1
Ayaz Hama	1990	13.8	10.1	1
Berkat Trip	1991	23.75	11	2
Derouf SAGS	1992	105.69	11.2	2
Derouf Trip	1993	13.8	11	2
Georac	1985	11.2	2.3	4
Georac & Sage 12sp	1991	11.0	0	8.5
Georac 12sp	1993	11.0	0	8.5
Hongkong	64	6.7	2.2	14.7
Idat 10p	70	6.7	2.2	14.7
Idat 15p	6			
Killingham 15p	186	37.0	1.2	4
Killingham 15p	190	0.80	0	27.8
Killingham 15p	191	0.80	0	27.8
Limning Dredging	1995	10.7	2.0	8.5
Palang	1995	10.7	2.0	8.5
Palang	1995	10.7	2.0	8.5
Palang	1995	10.7	2.0	8.5
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Figure 1. The effect of the concentration of the *Agrobacterium* suspension on the transformation efficiency of *Agrobacterium* strains. The concentration of the *Agrobacterium* suspension was 10⁶ cells/ml (A), 10⁷ cells/ml (B), 10⁸ cells/ml (C), and 10⁹ cells/ml (D). The concentration of the *Agrobacterium* suspension was 10⁶ cells/ml (A), 10⁷ cells/ml (B), 10⁸ cells/ml (C), and 10⁹ cells/ml (D). The concentration of the *Agrobacterium* suspension was 10⁶ cells/ml (A), 10⁷ cells/ml (B), 10⁸ cells/ml (C), and 10⁹ cells/ml (D). The concentration of the *Agrobacterium* suspension was 10⁶ cells/ml (A), 10⁷ cells/ml (B), 10⁸ cells/ml (C), and 10⁹ cells/ml (D).

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October 1951	50	-15		1.9	8.4
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MISCELLANEOUS					
Merma 100 17p...	79				
Charcoal 50	2	1	m05		1.5
Merma 100 17p...	9				
Merma 100 17p...	36				6.1
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Merma 100 17p...	95	+2		6.6	4.4
Merma 100 17p...	45				
Merma 100 17p...	230				
Merma 100 17p...	118				

current rate of A.C.T., are based on middle prices, and the value of the investments made, the deductions, after deducting that which are required to be investment of public monies.

Investment securities which include investment in:

- 1. Shares marked thus have been adjusted to allow for loss on cash.
- 2. Shares not returned or returned.
- 3. Shares reduced, passed or deferred.
- 4. Non-redeemable.
- 5. Repaid.
- 6. Insurance reserve allocations may provide for the return of the investment.
- 7. Shares of suspension.

Dividend after paying senior and/or rights issues and after the payment of the following:

- 1. Share Duty.
- 2. Recompensation in progress.
- 3. Payment on shares.
- 4. Shares reduced and/or reduced earnings

1974 profits.

1. The corporation of shares not used for ranking for or ranking only for restricted dividend.

2. The corporation of shares which may also rank for a future date. No P/E ratio usually provided.

3. A share dividend declaration.

4. A share dividend declaration.

5. Shares based on prospective or other official rates.

6. Dividend rate paid or payable on part of shares based on dividend on full capital.

7. Redemption of shares.

8. Dividend and yield after scrip issue.

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Only one service shows you which shares have the most upside potential - International Chart Book, used by investment managers and stockbrokers everywhere. Weekly: £800 per annum. Monthly: £125. Telephone: 01-263 4470 for further details. Chart Analysts Ltd., 194-200 Bloomsbury, London, EC2M 4PE.



Incentives are a must CBI warns Healey

BY ADRIAN HAMILTON

LEADERS OF the Confederation of British Industry yesterday warned the Chancellor of the Exchequer "in the most forceful terms possible" that the current economic revival in the country could be seriously restrained by lack of company cash to invest and expand.

In a wide-ranging one-and-a-half-hour meeting with Mr. Healey to present their Budget recommendations, the CBI representatives pleaded for immediate action in the next budget to improve corporate finances by easing Advance Corporation Tax rules, by revising the Capital Transfer Tax plans, and by announcing a two-year extension of the Stock Relief scheme.

They also put the CBI's view that the next phase of the Government counter-inflation should tighten the screw by imposing a limit of around 5 per cent. on the rise in the total wage bill, expressed in percentage rather than flat-rate terms, and a drastic revision of the price code.

In general, the CBI seems to have reported general satisfaction with the direction of Government policy recently, and general optimism about the revival of economic activity.

Picking up

Evidence from its latest surveys suggest that orders, particularly from abroad, are picking up sharply and that inflation rates are dropping more rapidly than expected last year.

But the confederation remains desperately anxious that the revival should not be upset by early action to reflate the economy, or any easing in further efforts to reduce the rate of inflation.

With this in mind, it has made the novel suggestion that any changes in personal taxation—and it would like to see help given to middle management as well as an increase in personal and family allowances to avoid the "poverty trap" problem—should be delayed for a summer "budget" when both the economic evidence of revival and the next phase of counter-inflation becomes clearer, in June or July.

At present it believes the indications of revival are sufficiently strong for the Chancellor to avoid the need for reflation at this stage.

Urgent

What it does feel requires urgent action is the problem of corporate profitability, which remains on a downward trend.

Although it makes a number of recommendations that could cost some £1,200m, it fully implemented this April, its main plea is for a few specific points which, it argues, will greatly help industry without any strong inflationary impact.

These include a continuation of the current stock relief system for two more years, with some modifications to encourage re-stocking; action to ease the impact of Advance Corporation Tax, particularly on those companies which cannot utilise their capital allowances; and the introduction of reliefs on productive assets and a lower Capital Transfer Tax to help smaller businesses.

Given action on these fronts, the CBI has hinted that it would take a more sympathetic line towards the continuation of some sort of price restraint after July.

It has also, by implication at least, suggested that it puts its priorities on these actions rather than on its other recommendations for lowering Corporation Tax rates, abolishing higher rates of VAT, and indexing Capital Gains Tax.

The cost, it argues, would be fairly small, at perhaps some £700-£800m, in the next financial year. The inflationary impact would be negligible. The cost

could be met by an acceleration in proposals to reduce public expenditure, particularly by dropping certain nationalisation proposals.

An earlier suggestion by the CBI staff that the cost might be met by raising VAT rates to 10 per cent., which might have added benefits in stabilising the revival, was dropped from the representations after Council objections, however.

Mr. Healey's response to the CBI's proposals has not yet been revealed. But the CBI's belief in a tougher stage two is clearly in line with his own thinking.

The gradual revival in business confidence reported in recent CBI surveys must be more than welcome to him. And there are some indications that he is sympathetic to the idea of taking non-inflationary action to assist corporate liquidity, even if he is hardly likely to offset such action by dropping the Labour Government's nationalisation moves.

Editorial comment, Page 18

Unions go softer on spending-cut attack

BY ROY ROGERS, LABOUR CORRESPONDENT

UNION LEADERS yesterday tempered their reaction to the recently announced public expenditure cuts and high unemployment levels in the realisation that the forthcoming by-elections will be crucial for the Labour Government.

The TUC general council voiced criticism of both the cuts and unemployment levels. But after stern warnings from union leaders, including Mr. Jack Jones, general secretary of the TUC, the council endorsed the TUC economic review, including mild criticism of the cuts, without a vote being taken.

After protests at the extent of the cuts from both Mr. Alan Fisher of the Public Employees' Union and Mr. Fred Jarvis of the National Union of Teachers, Mr. Jones stepped in to remind the council that to rock the boat now could bring a Tory Government into power.

The TUC economic review, to be published next week, calls on Mr. Denis Healey, Chancellor of the Exchequer, to boost the economy by some £200m, in April Budget. Other items sought by the TUC include selective import controls and further measures to reduce unemployment.

As an additional move to curb unemployment levels, the TUC is to ask Mr. Michael Foot, Employment Secretary, to bring forward the Employment Protec-

tion Act provisions protecting workers in smaller concerns from unfair dismissal. These were due to be implemented in June.

Unemployment remains the key issue, and Mr. Len Murray, TUC general secretary, hinted strongly that progress in negotiations over a follow-up pay policy for when the £8 limit expires in August, hinged on the Chancellor's Budget.

The TUC, he said, was sure there would continue to be a need for accord between the TUC and the Labour Government.

It was premature to talk of a second stage incomes policy, but "we believe the Government can make it possible, in particular by dealing with the question of unemployment, and there will be general consent by the unions to act to solve our problems."

But it was early days yet and the TUC would have to see the Budget before progress could be made in this field.

Mr. Murray and other TUC leaders are due to have pre-Budget talks with Mr. Healey, when they will discuss their review and seek to persuade him to set a target of reducing unemployment to 600,000 by 1978.

These negotiations, he stressed, over the next few weeks, will set the scene for crucial wage policy discussions later in the year.

Labour news, Page 10

'More strikes in big factories'

BY CHRISTIAN TYLER, LABOUR STAFF

LARGER FACTORIES are more prone to strikes than small ones, even allowing for the difference in size of the workforce, according to figures published by the Department of Employment today.

An analysis of the department's regular strike statistics over eight years also confirms the common judgment that mining, the docks, motor manufacture and shipbuilding are the most trouble-prone industries.

A survey which has taken almost three years to prepare reveals a remarkable concentration of disputes among a few large industries, and according to Mr. Michael Foot, Employment Secretary, earlier this week, the same research is showing that about 90 per cent. of all British concerns were strike-free.

The authors of the survey,

published in the February issue of the DE Gazette and covering the years 1966-73, do not draw any hard conclusions from the data. This may be done in later articles. But, referring to the correlation between plant size and the incidence of strikes, they say that it has recently been argued that smaller plants have fewer stoppages because of closer management-worker relations.

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FINANCIAL TIMES

Thursday February 26 1976

FT CLIPPER RACE

BY ALEC BEILBY

GB II beats the mist

DOVER, Feb. 25

A DOUBLE record and the Patriarch Trophy for the fastest circumnavigation of the world under sail from London to Sydney and back were awaiting the 16-man crew of Great Britain II as the yacht sailed the final mile, of the Financial Times Clipper Race to the finish off Dover last night.

Great Britain II broke the outward record to Sydney, 69 days set by Patriarch in 1963, by one and a half days. As she neared Dover last night she was set to beat the return record, again 69 days, established by Patriarch in 1970, by more than two days.

A drop in the forecast winds and rolling fog earlier in the day came to frustrate a crew who have faced everything from tropical storms to tropical calms. Relatives and friends had gathered to meet them in mist-enshrouded Dover.

At dawn yesterday, with fog persisting, the yacht was south of the Isle of Wight. By early afternoon she was east of the Owers Bank, south of Worthing. By early evening, with the tide turning in her favour, Great Britain II rounded Beachy Head.

Once able to talk direct to Dover, Roy Mullender, the skipper, told me that in spite of the worries, his crew was becoming noticeably excited at the thought of getting home. They held their last evening "Happy Hour." Those not on watch gathered for a beer or a "tot."

"The yacht is fine and the crew is as good, but we would do anything to stop the roll-

ing," Mullender told me when 30 miles from home. "We are blowing along at nine knots and carrying all the sail we've got. We feel as though we could do the same trip again if we had to, but we might have to do some sewing on one or two sails first. The hull is perfect; we were able to swim under it for an inspection off the Azores a week ago."

Hard-driving

Roy Mullender, a Royal Navy chief petty officer, is a man who is known to drive his crew. By doing so he has crushed the Australian challenger Anaconda II by 1,500 miles.

GB II's other great rival, the French yacht Kriter II, had to turn back to Sydney for repairs to the rudder after 900 miles and while in sight of Great Britain II. But although 27 days were lost, she is now chasing hard to beat the new record—skippered by Olivier de Kersauson, another hard-driving sailor.

Roy Mullender is an old hand at the long-distance racing game. He was mate in the last around-the-world race aboard the naval yacht Adventure, from Sydney to Rio de Janeiro. Then he took over as skipper for the leg from Rio home.

The yacht took handicap honours for both stages, a feat that certainly influenced his selection as skipper of Great Britain II for the toughest leg of the Clipper Race, from Sydney across the Southern Ocean, the South Atlantic and North Atlantic, to Dover.

Italy's new measures lift the Lira

BY ANTHONY ROBINSON

ROME, Feb. 25

THE LIRA reacted favourably to the package of measures introduced by the Italian authorities last night, which include the re-opening on Monday of the foreign exchange, after a week of increasingly speculative trading had forced the lira into a 17 per cent. devaluation against the dollar in inter-bank trading.

The measures consist of a rise in the discount rate from 7 to 8 per cent., the second such rise in the past three years, and a 5 per cent. increase in the Italian equivalent of the Lombard rate. This means a reduction in bank liquidity of nearly £400bn. in March by bringing forward by one month the increase in obligatory reserve requirements for the commercial banks announced on February 3.

Last July's measures providing interest rate subsidies for export credits, which block an estimated £550bn. are to be abolished immediately.

The official foreign exchange market had been closed since January 20, when the Central Bank ceased intervening to support the currency.

At the same time the Banco d'Italia's intention of raising

domestic interest rate levels has been clearly signalled by an unprecedented large 2.7 per cent. increase, to 12.46 per cent., in the effective yield on the latest issue of £1,000bn. of six months Treasury bills.

The heavy drain on surplus liquidity, and this clear indication of the way the authorities want interest rates to move, is bound to be reflected in a sharp upward adjustment in interest rates generally.

Other measures to increase the penalties and step up surveillance of illegal capital exports are expected to follow shortly, with the installation of the new Government following to-night's confidence vote in the Senate.

The lira closed to-night in Rome at £750 to the dollar compared with yesterday's closing of £797-£798. This has reduced the overall lira devaluation against the dollar—at the rate before the lira was floated in February, 1973—to 25.78 per cent. This, according to the Bank's trade-weighted index, compares with yesterday's devaluation rate of 27.53 per cent.

Editorial comment, Page 18

Continued from Page 1

Rhodesia killings

tion that he or anyone from Lornho's head office had been planting "panic stories" in the South African Press about the Rhodesian situation. He could not speak for Lornho's representatives in South Africa, but commented that such stories would need no planting because they were based on the objective facts of the situation.

Mr. Rowland described as "utter rubbish" any implication that Lornho might be a financial interest in securing rapid majority rule in Rhodesia. His company's anti-Smith policy was "purely political," though he pointed out that, like all other British companies there, Lornho's assets in Rhodesia had been frozen, no profits had been remitted to London and that the company's holdings were administered by a local Board on which none of Lornho's main directors sat.

He would put no figure on the frozen assets, but commented that the closure of the Lornho oil pipeline from Beira in Mozambique to Rhodesia was costing the company £500,000 a year in maintenance with no return while Rhodesian sanctions lasted.

Lornho's financial commitment to Rhodesia itself is dwarfed by its vast investments in "Black" African states right across the continent and in South Africa.

The company lists two Rhodesian subsidiaries which materially contributed to the assets and/or profits of the group. One is Nyaschere Copper (Private), a copper mining operation in which Lornho has 50 per cent. interest, and Mr. Rowland himself an indirect interest. Lornho lost money last year on its copper mining operations. The other is Lornho Investment Com-

pany, which operates in mining and the motor trade.

In the other African countries, however, Lornho earns a large proportion of the £67m. pre-tax profit it reported for the year to September, 30. It claims, for example, to be the largest distributor of motor vehicles on the African continent.

Continued from Page 1

Ford

of finishing a strong second behind Mr. Carter and establishing himself as the liberal candidate.

Mr. Bayh, who had been thought to be in trouble, also took consolation from his third place finish. But both must view with some concern the even spread of Mr. Carter's support throughout the New Hampshire population, which suggests that the Georgian has some claim on liberal as well as centrist sentiment.

Mr. Carter also handily won the delegate race, picking up 13 to Mr. Udall's four, according to still incomplete tallies with the rest getting none.

The Democratic turnout was low, but write-in campaigns for Senator Hubert Humphrey, Senator Henry Jackson, Governor George Wallace, and former Treasury Secretary John Connally failed to get off the ground. Democratic attention also now turns to Massachusetts next week, with both Senator Jackson and Governor Wallace in the field and to Florida a week later, where Messrs. Carter, Wallace and Jackson are the only major candidates.

Feature, Page 4

THE LEX COLUMN

Another bank on rights trail

Index rose 2.0 to 409.2

Somewhat cheekily, Standard Chartered Bank has popped up with a rights issue slap in the middle of the clearing banks' results season. But while the timing may be unexpected the reasons are familiar enough, and it is becoming clear that 1976 is producing a major wave of capital strengthening moves by banks round the world. Although loan demand remains weak in most countries, international banks do not have to peer very hard into their crystal balls to foresee a world economic recovery, and a strong capital base is necessary to allow banks to expand through acquisition as well as through organic growth. Standard Chartered's capital ratios have tended to weaken over the years, with the free capital ratio down to 2.3 per cent. last March, although it has been able to live

hood of declining ratios where a sterling base is used to support currency assets. Some banks have been moving to match currency exposures, usually through currency loans denominated in dollars; Midland has been tapping this market, for instance. But Standard argues that its dollar assets are not very large, while in any case some of the £31m. rights proceeds may in due course be used to increase local capital in its overseas subsidiaries. And as it happens, the devaluation of the rand (a quarter of group assets are in South Africa) means that currency swings will be more or less cancelled out this year.

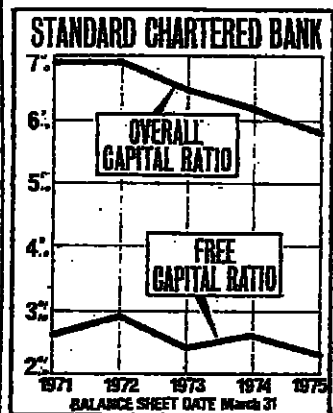
rationalisation costs at Enka Glenstoff. So the total loss is £15.442m, against a profit of £15.380m, which will make quite a dent in end-1974 shareholders' funds of £15.470m. The shares slipped nearly 1½% at one stage yesterday before ending slightly lower at £15.481—15 per cent. below the 1973 high.

The pick-up in sales of both fibres and chemical products during the final quarter is shown in a 12 per cent. rise in sales compared with the preceding three months and the first turnover gain on a 12 month basis since the beginning of the recession.

Akzo, which is more dependent on fibres than other European chemical majors, still lost money in the final quarter—£15.34m—but this is well down on the £15.58m, and £15.49m, of the first two quarters. And the improvement is understated because of first half credits of £15.67m: relating to provisions for stock losses in 1973. Demand is now improving quite strongly for both fibres and other chemicals but the pricing position is still very difficult on the Continent. So external estimates are for overall losses until the second half of 1976, and with the Enka position yet to be finally resolved there are a number of more obvious recovery prospects on the European chemical scene than Akzo, currently capitalised at £15.46m.

Dollar Premium

The investment dollar premium eased a further 1½ points to 98 per cent. yesterday having finally ploughed through the 100 per cent. mark on Tuesday, and the background to this trend—the premium has now eased 14 per cent. this month, while the notional peak hit in mid-December was around 121 per cent.—looks slightly paradoxical given that the Dow Jones Index has this week been within an ace of the 1,000 level. But the premium market has been very thin for some months, and it has not apparently taken much of a surplus of investment dollars to push it lower. The recent spate of selling in South Africa is part explanation, but the U.S. clearly holds the key. There, the institutions have swung from a premium short-ICI of a definite upturn in the world chemical cycle during the final quarter of 1975. But its loans while there is evidence results are still thought to be one bleak with net losses of again being channelled via £15.180m, no dividend for the foreign currency loans rather than through the premium visions of £15.250m. to cover market.



The key to BOC's better than expected first quarter—profits of £2.2m—£12.5m, pre-tax—lies in U.K. gases, where steady margins together with maintained volumes in the liquid and cylinder business have offset lower levels of activity on the tonnage side. As a result, European profits are unchanged over the preceding quarter despite a downturn in engineering and continuing recession in the chemicals and metals operations.

BOC

However, after allowing for the rights issue and a more normal tax charge at the Airco associate, a 33 per cent. pre-tax jump is transformed into a fractional gain in earnings per share. Given BOC's stable trading pattern, profits comfortably in excess of £50m. can now be predicted with reasonable confidence for 1975-76, along with roughly maintained earnings, and by the end of the year the group should be gaining from economic recovery in the U.S. and Europe. But the next two quarters are not going to produce much excitement, and the shares do not look out of line at 64p, where the yield is under 6 per cent. and the p/e about 7½.

Akzo

Akzo yesterday fully confirmed last week's message from ICI of a definite upturn in the world chemical cycle during the final quarter of 1975. But its loans while there is evidence results are still thought to be one bleak with net losses of again being channelled via £15.180m, no dividend for the foreign currency loans rather than through the premium visions of £15.250m. to cover market.

Weather

U.K. TO-DAY

DRY and mild with some bright intervals and early mist or fog patches.

London, S. England, E. Anglia, the Midlands

Mist patches early, followed by mild bright weather. Max. 13C

East England, N. England, N.E. England

Dry with bright intervals. Moderate wind. Max. 11C (52F).

N.W. England, Lakes, Isle of Man

Cloudy with bright intervals and fog. Wind fresh or strong. Max. 10C (50F).

Borders, Edinburgh and Dundee, S.W. Scotland, Highlands, N.W. Scotland, N. Ireland

Cloudy with occasional drizzle, becoming brighter and mainly dry. Wind fresh or strong. Max. 10C (50F).

Lighting-up: London 18.03, Manchester 18.09, Glasgow 18.12, Belfast 18.22.

BUSINESS CENTRES

City	Time	City	Time
Amsterdam	9.45	Madrid	11.30
Athens	9.45	Manila	12.30
Bahia	9.45	Mexico	12.30
Barcelona	9.45	Montevideo	12.30
Bombay	9.45	Nairobi	12.30
Buenos Aires	9.45	Paris	12.30
Calcutta	9.45	Rangoon	12.30
Canton	9.45	Singapore	12.30
Cebu	9.45	Sydney	12.30
Colon	9.45	Taipei	12.30
Hankow	9.45	Tokyo	12.30
Hong Kong	9.45	Yokohama	12.30
Kobe	9.45		
London	9.45		
Lyons	9.45		
Manila	9.45		
Medan	9.45		
Shanghai	9.45		
Singapore	9.45		
Sourabaya	9.45		
Taipei	9.45		
Tokyo	9.45		
Yokohama	9.45		